

# Memorandum

## Reexamination

February 9, 2023

To: Members of the Board  
From: Melissa L. Batchelor, Assistant Director  
Thru: Monica R. Valentine, Executive Director  
Subject: **Reexamination of Existing Standards** (Topic B)

### INTRODUCTION

The reexamination project objective is to reexamine FASAB's existing standards to assess their current relevance and to identify opportunities to streamline authoritative guidance. The Board approved a plan that included issuing an Invitation to Comment (ITC) addressing the FASAB GAAP hierarchy, Reexamination of FASAB standards, and Codification of FASAB standards and/or Handbook improvements. At the December 2022 Board meeting, the Board reviewed the first draft of the ITC.

For this topic discussion, staff is seeking the Board's feedback on the updated draft ITC.

### REQUEST FOR FEEDBACK BY FEBRUARY 15<sup>th</sup>

**Prior to the Board's February meeting**, please review the attached staff recommendations and analyses and respond to the ensuing questions by February 15<sup>th</sup>.

Please submit responses to Melissa Batchelor at [BatchelorM@fasab.gov](mailto:BatchelorM@fasab.gov) with a copy to Monica Valentine at [ValentineM@fasab.gov](mailto:ValentineM@fasab.gov).

### ATTACHMENTS

1. Staff Recommendations and Analyses
2. Draft Invitation to Comment-MARKED
3. Draft Invitation to Comment-CLEAN
4. Draft ITC Questions for Respondents

# Staff Analysis

## Reexamination

February 9, 2023

### CONTEXT

An ITC is a vehicle to solicit feedback and gather information. The Board agreed that soliciting feedback through an ITC would be an excellent first step to the Reexamination project.

### BACKGROUND

The Board approved a plan that included issuing an ITC addressing the FASAB GAAP hierarchy, Reexamination of FASAB standards, and Codification of FASAB standards and/or Handbook improvements.

The Board also agreed with the following high-level steps to ensure input from the public:

- Staff drafts ITC.
- Staff conducts outreach to organizations for feedback on draft ITC.
- Staff finalizes the draft ITC for Board review.
- The Board reviews the ITC.<sup>1</sup>
- The Board releases the ITC for public comment.
- The Board analyzes the public's response to the ITC, including determining if a round table or task force<sup>2</sup> would be needed to assess comments.

At the December 2022 Board meeting, the Board provided feedback on the first draft of the ITC, *Topics and Approaches Related to the FASAB Reexamination Project*. After discussing the ITC, the majority of the Board members generally agreed that the GAAP hierarchy should be included first. The members agreed that any decisions regarding level D detail should wait until they consider additional information at the next Board meeting. The Board agreed to delay any decisions regarding releasing a narrow ITC on the GAAP hierarchy in the spring. The Board also agreed not to include the discussion and questions on ranking approaches, but questions that would assist with identifying particular topics and prioritization should stay in the ITC.

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<sup>1</sup> The Board is reviewing an updated ITC, based on feedback received at the December 2022 Board meeting.

<sup>2</sup> The Board may also consider the use of task forces for specific topics or new projects that evolve from the ITC results.

The Board discussed general clarifications regarding the ITC and the proposed questions. For example, the Board agreed that the ITC questions should be clarified to ensure that responses include the appropriate detail regarding the area of a particular Statement (paragraph reference) that is of concern. The majority of the Board agreed that Statements that have not been implemented should be excluded from the ITC but an explanation should be provided.

The Board did not have an opportunity to discuss the last portion of the ITC: Codification of FASAB Standards and FASAB Handbook Improvements. The Board discussed the possibility of issuing more than one ITC but made no decision at the meeting.

## **RECOMMENDATIONS AND ANALYSES OF REQUEST FOR FEEDBACK**

### **RECOMMENDATION**

#### **FASAB GAAP Hierarchy Section**

As explained, the Board delayed certain decisions regarding the FASAB GAAP hierarchy section until the February Board meeting. Staff is recommending that the Board consider the analysis that follows and approve the revised FASAB GAAP hierarchy section of the Draft ITC.

### **ANALYSIS**

The Board had previously agreed that the generally accepted accounting principles (GAAP) hierarchy should be included in the ITC. Based on the draft, there were mixed views regarding the placement and the level of detail and specificity of questions regarding level D GAAP. After discussion, the majority of the Board members generally agreed that the GAAP hierarchy should be included first. The members agreed that any decisions regarding level D detail should wait until they consider additional information at the next Board meeting.

Staff notes at the December meeting, Mr. Dacey explained that he was familiar with the GAAP hierarchy level D issue and suggested it would benefit from further discussion. Staff met with Mr. Dacey during January to discuss the level of detail and specificity of questions regarding level D GAAP. Staff believes that a key issue relates to whether and where administrative directives should be considered in the hierarchy and the clarity of the term “practices that are widely recognized and prevalent in the federal government” in level D. There was also discussion of efforts and activities related to this topic. Sponsor members will be available to discuss these matters at the meeting.

Based on discussions, staff revised the GAAP hierarchy section of the ITC. Staff believes the revised section provides the proper context for asking respondents about the issue whether and where administrative directives should be considered in the

hierarchy and the clarity of the term “practices that are widely recognized and prevalent in the federal government” in level D.

Although not discussed in detail at the December 2022 Board meeting, staff would like to confirm if the majority of the Board prefers to maintain the question regarding training in the GAAP hierarchy section. Staff notes that FASAB staff offers training in this area (as other areas) but is this a specific area that the Board would like to ask about training?

The Board agreed to delay any decisions regarding releasing a narrow ITC on the GAAP hierarchy in the spring. Staff notes that there have been significant revisions to the entire ITC and would prefer to address this question along with the overall questions regarding the ITC (including the number of and length of exposure) in the Questions 6 and 7.

#### **Question for the Board:**

1. Do Board members generally agree with the revised FASAB GAAP Hierarchy section of the Draft ITC? If NO, please provide feedback or suggested improvements.
2. Do Board members want to maintain question 1.3 that asks respondents if training would assist in your understanding and application of the federal GAAP hierarchy?

## **RECOMMENDATION**

### **Board Comments**

Staff is requesting that Board members provide comments on the other sections of the Draft ITC.

## **ANALYSIS**

An ITC is a vehicle to solicit feedback and gather information. It is not an Exposure Draft or presentation of draft guidance for comment. Staff believes this is a significant point for members to keep in mind.

### *Reexamination of Standards*

The Board had previously agreed to solicit feedback on the various approaches to the reexamination project. Based on feedback from the target audience, staff determined that

conceptualizing this might be difficult for respondents (especially without knowing all the topics that have been identified). Staff recommended not including the discussion and questions on ranking approaches. The majority of members generally agreed that question 2.5 and the majority of the detailed discussion regarding the approaches should be removed from the narrative. Questions that would assist with identifying particular topics and prioritization should stay.

Staff updated the narrative to remove the discussion about the different approaches and the related question where respondents were asked to rank the approaches. The revised language provides a small commentary about the Board selecting an approach and language describing the questions could be included for information gathering for prioritization. While incorporating the revisions, staff made other streamlining revisions to the narrative and questions. For example, staff combined certain questions where appropriate and deleted those that would not offer the Board information for prioritizing projects. As a result, the only questions that remain in this section are those related to prioritizing topics based on the appendices provided. Based on the December meeting, members indicated a preference to include questions that would assist the Board with prioritizing issues.

The Board also discussed various revisions to questions, and other suggested edits that staff incorporated. For example, members agreed that SFFASs would be excluded from the reexamination if they were not implemented.

Staff is interested in the Board's feedback on the revised Reexamination of FASAB standards section.

#### *Codification / Handbook not considered in December*

The Board did not have an opportunity to discuss the last portion of the ITC: Codification of FASAB Standards and FASAB Handbook Improvements. Previous individual member comments received before the December draft had indicated that several Board members had a preference to issue this section as a separate ITC. However, the Board did not make any determinations.

Since the last Board meeting, staff revised this section to streamline and reduce the questions. Staff believes the length and number of questions are consistent with the other sections. Staff is interested in the Board's feedback on the revised section.

#### *Other Feedback*

Staff also welcomes general feedback on the ITC. Considering the comments received from Board members regarding the concern for stakeholder time and burden involved with responding to the ITC, staff consulted with GAO's Applied Research and Methods (ARM) team. ARM specializes and provides web survey services. Staff is working with ARM to determine ways to improve the ITC.

One area of concern is the length and commentary with questions. ARM survey documents normally do not offer lengthy questions nor footnotes with the commentary.

Staff will continue to work with ARM staff to explore opportunities for improvement to the question and response format. It is anticipated that we will require respondents to use either a word or pdf fillable form.

Staff has made certain changes in the document to require respondents to use the fillable Microsoft Word form provided by FASAB for responses. Staff believes this further streamlines the document as there won't be a need for the questions to be listed at the beginning. As noted, staff will work with ARM to determine the best format (word or pdf) that would help reduce time and burden on respondents and FASAB staff with accumulating the information. Staff has included the Draft ITC Questions for Respondents as Attachment 3 for your reference and so members can get an idea of the format that respondents would be working with.

**\*\*Please keep in mind that the document has not yet gone through the full FASAB editorial process. Staff is aware that several drop-down selections have not be updated. Staff notes that this process will be finalized once questions are final. Further, the ITC will be section 508 compliant in all respects.**

#### **Questions for the Board:**

3. Does the Board generally agree with the revised Reexamination of Standards section of the draft ITC? If NO, please provide feedback or suggested improvements.
4. Does the Board generally agree with the revised Codification of FASAB Standards and/or Handbook Improvements Reexamination of Standards section of the draft ITC? If NO, please provide feedback or suggested improvements.
5. Do you have any other feedback or suggested improvements to the content or questions in the draft ITC.

## **RECOMMENDATION**

### **Number of ITCs and Length of Time for Respondents**

Staff notes that there have been significant revisions to the ITC and questions, staff is requesting the Board to consider the following analysis so the preference on the number of ITCs and length of time for respondents can be determined.

## ANALYSIS

The Board previously approved a plan that included issuing an ITC addressing the FASAB GAAP hierarchy, Reexamination of FASAB standards, and Codification of FASAB standards and/or Handbook improvements. After reviewing the initial draft, there had been concern from certain members regarding respondent burden with including all sections in one ITC. There have been streamlining, revisions, and reduction to the number of questions. Staff would like to know Board member views if all topics could be presented in one ITC as originally planned or would members prefer to issue more than one ITC.

There are several factors the Board must consider as it determines the number of ITCs. Staff also notes that member feedback, response time allowed to respondents, and the timing may also impact these decisions. For example, if there is significant feedback and edits for certain areas but not others, members may decide to issue one particular section of the ITC. As always, the Board is cognizant of the timing when any document is released for comments to stakeholders.

Lastly, the Board should consider the length of time the ITC should be available for comment. The rules of procedures provides that an ITC “specifies a date (the anticipated comment period is 60 days and the minimum is 30 days) and instructions for submission of comments. All comments are provided to the Board members with a staff (or task force) summary and analysis. The Board may convene a public hearing.”

Staff notes that ITCs have been used sparingly in the past, so there is not a track record of best practices. However, one can observe practices with other types of FASAB publications and due process requirements and the length of time for respondents for other documents. Staff reviewed some of our more significant pronouncements in recent years and the related exposure periods and noted the following:

Document	Length of time for responses	Staff Comments
Leases ED	Approximately 3½ months	Majority of comments letters were received near the due date, with over half of the comments received <u>after</u> the due date. Due date was January 6 <sup>th</sup> , so the Holiday may have impacted.
Land ED	3 months	Majority of the comment letters were received in the last two weeks up to the due date and a few letters after the due date.

Staff also considered pronouncements with shorter exposure periods, including a Technical Release ED by the AAPC, and noted similar comments:

Document	Length of time for responses	Staff Comments
Debt Cancellation ED	Approximately 2 months	2/3 of the comment letters were received in the last two weeks up to the due date and 1/3 of the letters after the due date.
Omnibus TR 2022: Conforming Amendments	Approximately 2 months	Majority of the comment letters were received in the last two weeks up to the due date and a few letters after the due date.

Considering the above, staff believes this is generally consistent with overall responses received. Meaning, staff believes in general responses typically begin to come in approximately two weeks prior to a comment deadline. If a particular document allows for a longer response time, respondents typically will take the additional time and responses will begin to come in a couple weeks before the comment deadline.

Staff believes additional time should be allowed for the ITC as respondents may need to coordinate among offices and prepare the necessary detail—but there needs to be a due date in the near future so that it is addressed timely. Staff believes a four month length of time for respondents is appropriate. Four months would provide respondents an additional month longer than what is typically provided for exposure drafts.

While some may believe additional time should be afforded, staff believes four months is appropriate because other types of procedures are anticipated as needed. For example, the Board anticipates forming round tables and task forces as appropriate for follow-up.

#### Questions for the Board:

6. Do Board members prefer to issue one ITC as planned? If NO, please state your preference.
7. Do members agree that a four month length of time for response is appropriate? If NO, please provide your preference.





## INVITATION TO COMMENT

TOPICS ~~AND APPROACHES~~ RELATED TO THE FASAB  
REEXAMINATION PROJECT

### Invitation to Comment

Written comments are requested by **TBD**, 2023

**TBD**, 2023

## THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB or "the Board") in October 1990. FASAB is responsible for promulgating accounting standards for the United States government. These standards are recognized as generally accepted accounting principles (GAAP) for the federal government.

Accounting standards are typically formulated initially as a proposal after considering the financial and budgetary information needs of citizens (including the news media, state and local legislators, analysts from private firms, academe, and elsewhere), Congress, federal executives, federal program managers, and other users of federal financial information. FASAB publishes the proposed standards in an exposure draft for public comment. In some cases, FASAB publishes a discussion memorandum, invitation for comment, or preliminary views document on a specific topic before an exposure draft. A public hearing is sometimes held to receive oral comments in addition to written comments. The Board considers comments and decides whether to adopt the proposed standards with or without modification. After review by the three officials who sponsor FASAB, the Board publishes adopted standards in a Statement of Federal Financial Accounting Standards. The Board follows a similar process for Statements of Federal Financial Accounting Concepts, which guide the Board in developing accounting standards and formulating the framework for federal accounting and reporting.

Additional background information and other items of interest are available at [www.fasab.gov](http://www.fasab.gov):

- [Memorandum of Understanding](#) among the Government Accountability Office, the Department of the Treasury, and the Office of Management and Budget, on Federal Government Accounting Standards and a Federal Accounting Standards Advisory Board
- [Mission statement](#)
- [Documents for comment](#)
- [Statements of Federal Financial Accounting Standards and Concepts](#)
- [FASAB newsletters](#)

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TBD, 2023

TO: ALL WHO USE, PREPARE, AND AUDIT FEDERAL FINANCIAL INFORMATION

The Federal Accounting Standards Advisory Board (FASAB or "the Board") requests your comments on the Invitation to Comment, *Topics ~~and Approaches~~ Related to the FASAB Reexamination Project*. Specific questions that are included in the Invitation to Comment are provided throughout the document and instructions for submitting your responses are summarized on page 89, but you are welcome to comment on any aspect of the document. Your responses will be most helpful to the Board if you explain the reasons for your positions.

Responses are requested by TBD, 2023.

All comments received by FASAB are considered public information. Those comments will be posted to FASAB's website and will be included in the project's public record.

Please provide your comments by email to [fasab@fasab.gov](mailto:fasab@fasab.gov). We will confirm receipt of your comments. If you do not get a confirmation, please contact our office at 202-512-7350 to determine if your comments were received. If you are unable to email your responses, please call (202) 512-7350 to make alternate arrangements.

FASAB's rules of procedure provide that the Board may hold one or more public hearings on the document. No hearing has yet been scheduled for this document.

FASAB will publish notice of the date and location of any public hearing on this document in the Federal Register and in its newsletter.

Sincerely,

A handwritten signature in black ink that reads "George A. Scott". The signature is written in a cursive, flowing style.

George A. Scott  
Chair

## INVITATION TO COMMENT Q & A

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### WHAT IS AN INVITATION TO COMMENT?

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The Board may develop an invitation to comment (ITC) to request feedback on alternatives or proposals. The Board may present an ITC in a wide variety of forms. ITCs present issues that the Board could address in the future and seeks alternative solutions to issues under consideration. The Board will only issue ITCs after at least a majority of members vote to approve the publication.

Though the Board has used ITCs only sparingly in the past, ~~an ITCs provides~~ an key opportunity for stakeholders<sup>1</sup> to provide information and data on topics requested by the Board that may influence the direction of the Board's deliberations on the potential reexamination approaches and related topics. It is important for stakeholders to provide their feedback on these topics by answering the questions posed in this ITC and providing explanations for each response.

The ITC is an excellent tool to invite the public to comment on topics related to the reexamination of existing standards project.<sup>2</sup> ~~It is important for stakeholders to provide their feedback on these topics by answering the questions posed in this ITC and providing detailed explanations for each response.~~ a variety of approaches to reexamination. It is also a means to gain general feedback on broad reexamination-related issues.

### WHAT IS THE PURPOSE OF THIS INVITATION TO COMMENT AND HOW WILL THE INFORMATION BE USED?

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The purpose of this ITC is to request information regarding ~~proposed approaches and~~ topics related to the ~~reexamination~~ project. The objective of the ~~reexamination~~ project is to reexamine FASAB's existing standards to assess their current relevance and to identify opportunities to streamline authoritative guidance. Given the potential extent of a reexamination project and significant use of staff resources ~~to research the Board's approach, the reexamination of existing standards will be a huge undertaking.~~

~~The~~ The Board believes that seeking broad stakeholder feedback and input from the public is an essential step.

The Board invites feedback on all matters in this ~~Invitation to Comment~~. The Board will ~~thoroughly~~ review and analyze the public's response to the ITC and ~~determine whether what~~ additional outreach may be necessary, including determining if a public hearing, use of round tables, or ~~a~~ task force would be efficient in assessment of comments and development of planned approaches. As such, no particular pronouncement will result from the information presented in ITC. Instead, the information provided through the ITC (and additional outreach

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<sup>1</sup> Stakeholders is used broadly in this document to include stakeholders, users, and the financial management community.

<sup>2</sup> See the Reexamination of Existing Standards project page at <https://fasab.gov/projects/active-projects/reexamination-existing-standards/> for additional details.

and analytical procedures that follow) will assist the Board in prioritizing issues and developing an approach to the ~~r~~Reexamination project.

The Board believes it prudent to ensure stakeholders understand the importance of responding to the ITC. It is an opportunity for stakeholders to provide comments on all<sup>3</sup> the existing SFFASs for the Board's consideration. It is critical that respondents support their answers with rationale and detailed information, including specific paragraph SFFASs references where appropriate that will enable the Board to have a full understanding of issues and concerns. While this may seem typical when responding to FASAB questions, it bears even greater importance because the information provided will help the Board prioritize topics and determine an approach for the reexamination project.

~~Once the Board identifies an approach, the Reexamination project will begin and diverge into sub-projects or segments based upon the selected approach. The sub-projects would follow FASAB's normal due process procedures. The Board would make briefing materials and deliberation documents available and stakeholders would have an opportunity to comment on an exposure draft prior to any pronouncement being issued. The Board anticipates assigning several FASAB staff members to the Reexamination project once an approach is selected and the sub-projects evolve. Where appropriate, the Board intends to supplement existing staff with subject matter experts and detailees from the community to work on targeted areas where needed. The Board anticipates this project to span several years.~~

#### WHAT IS PRESENTED IN THE INVITATION TO COMMENT?

This ITC invites stakeholder input on proposed approaches and topics related to the Reexamination project. The ITC is organized in the following **three** broad sections:

##### I. FASAB GAAP Hierarchy

**SFFAS 34**, *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board* incorporates the hierarchy of generally accepted accounting principles (GAAP) into FASAB's authoritative literature. Given the importance, the Board determined it should consider feedback on the effectiveness of the GAAP hierarchy, as set forth in SFFAS 34.

Input from stakeholders regarding the GAAP hierarchy is needed to inform the Board if the current four-level federal GAAP hierarchy is effective in its current form.

##### II. ~~Potential~~ Reexamination ~~Approaches~~ (of FASAB Standards)

Standard setters should reexamine the accounting standards to ensure standards are effective in providing financial information that supports public accountability and meets user needs. By doing so, it allows the opportunity to assess their current applicability and to eliminate or revise unnecessary requirements while ensuring federal financial reporting objectives are met. During the reexamination, the Board will focus on issues related to (1) the usefulness of disclosures

<sup>3</sup> Certain SFFASs may be excluded from the reexamination project due to specific reasons (such as SFFAS not yet effective) please see **Appendix A-Matrix of Individual SFFAS** for more details.

and other required information, (2) inconsistencies with current practice, and (3) the need for clarifications (including difficulties applying requirements.)

Obtaining feedback on the reexamination project will provide insights to the Board as to the public's views on these matters, related topics and the overall reexamination project. Further, comments and information on which standards or topics are most in need of reexamination, ~~as well as the approaches~~ will assist the Board in prioritizing issues as it deliberates how best to approach its review of ~~30 years' worth of~~ standards.

~~During the reexamination, the Board will focus on issues related to (1) the usefulness of disclosures and other required information, (2) inconsistencies with current practice, and (3) the need for clarifications (including difficulties applying requirements.)~~

~~The Board could approach the reexamination of existing standards many different ways, such as:~~

- ~~• A targeted approach, addressing the guidance most in need of revision based on specific criteria, e.g., a desire to streamline reporting.~~
- ~~• Chronologically, starting with the oldest standards and progressing through to the most recently issued standards. (One by one approach of 'new topic' standards<sup>4</sup>)~~
- ~~• Broad topical approach (topics presented at a high level such as FASAB's EZ-FAS<sup>6</sup>)~~
- ~~• Narrow topical approach (e.g. property, plant, and equipment, long term debt, land, etc.)~~
- ~~• By type of information (e.g., basic information before RSI); then within basic information, how they should be examined (e.g., statements before notes or concurrent with notes); and then within the statements, which statement should be first, second, etc.~~

~~The Board could also consider combining approaches. For example, some stakeholders may prefer to approach the reexamination based on a broad topic basis, but then further assess based on targeted criteria for ranking. The Board is open to other approaches not discussed in the ITC and requests stakeholders to please provide the details.~~

~~Identifying an optimal approach is essential to the success of the project. Therefore, the Board believes it is important to take the necessary time and fully vet all options prior to committing significant resources to this effort.~~

### III. Codification of FASAB Standards and/or Handbook Improvements

FASAB currently incorporates pronouncements into a handbook of all FASAB pronouncements as of June 30 each year, i.e., *The FASAB Handbook of Accounting Standards and Other Pronouncements, As Amended* (FASAB Handbook.) Given the vast amount of guidance issued since FASAB's inception, the Board has also considered improvements to the FASAB

**Commented [BML1]:** Board did not deliberate this area

<sup>4</sup> See Appendix A Matrix of Individual SFFAS for more details.

<sup>6</sup> See Appendix B, FASAB's EZ-FAS. FASAB staff developed the EZ-FAS training aid that categorizes all guidance into 12 topical areas.

Handbook or developing a codification of FASAB pronouncements as a long-term goal for several years. Accordingly, it would seem logical to consider alternatives for providing standards to the community along with revisiting pronouncements for reexamination.

Codification is an abstract term that individuals may interpret differently. Oxford defines the codification as “the action or process of arranging laws or rules according to a system or plan.” Hence, most accountants refer to a codification of accounting standards by topics. For example, FASB’s codification provides user access to all authoritative US GAAP for non-governmental entities in a topically based model (with roughly 90 topics). While codification is the most commonly known used method to arrange or present accounting standards, not all standard setters have instituted a topic based codification. For example, the International Public Sector Accounting Standards Board (IPSASB) provides the Handbook of International Public Sector Accounting Pronouncements.

Codification of the pronouncements by topic would require substantial FASAB resources, including added manpower, staff resources, as well as Board time. The Board believes it important to hear feedback from the stakeholders on this important topic before investing significant resources.

The Board believes enhancements and improvements to the Handbook could improve functionality and increase its usability and is also requesting feedback regarding the types of improvements.

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Each of the three sections provide background information and reference materials so that respondents have a full understanding of the topic and questions related to the section. Questions that are included within each section are also summarized on page 8, Summary of Questions for Respondents.

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## ~~SUMMARY OF~~ QUESTIONS FOR RESPONDENTS

The Federal Accounting Standards Advisory Board (FASAB or “the Board”) encourages you to become familiar with the information provided in the Invitation to Comment before responding to the questions ~~in this section in the link provided below. Comments that include the reasons for your views are especially appreciated.~~

Individuals and organizations are invited to comment on all matters in this ITC, particularly on the issues and questions that are specifically asked in this document. All questions are included ~~in a fillable Microsoft Word file below. Respondents should use this form because it provides appropriate drop-down menus for answer selections.~~

While it would be helpful to receive feedback from respondents on all the questions in this ITC, the Board welcomes comments from those who are only interested in a specific topic or topics described in this ITC. Responses are most helpful if they are as specific as possible, identify and clearly explain the topic or question to which they relate, and provide as much detail ~~including references to specific sections or paragraphs within SFFASs, and relevant~~ context specific to federal financial accounting and reporting issues.

The Board believes the information obtained from respondents regarding ~~proposed approaches and the~~ topics related to the Reexamination project is very important. The information provided through the ITC (and additional outreach and procedures that follow) will assist the Board in making decisions, ~~and such as prioritizing issues and~~ developing an approach to the Reexamination project. As a result, information obtained would assist the Board in furthering this project that would improve federal financial reporting and contribute to federal financial reporting objectives.

~~Respondents should~~ The questions in this section are available in a ~~use the~~ Microsoft Word file available for your use at <https://www.fasab.gov/documents-for-comment/>. Additional information may be attached. Please send your responses to [fasab@fasab.gov](mailto:fasab@fasab.gov). If you are unable to respond by email, please contact 202-512-7350.

All responses are requested by **TBD**, 2023.

Q1. ~~Questions will be added in Final~~

Q2. ~~\_\_\_\_\_~~

## INVITATION TO COMMENT

### I. FASAB GAAP Hierarchy

1. [SFFAS 34](#), *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board* incorporates the hierarchy of GAAP into FASAB's authoritative literature. Statement of Federal Financial Accounting Standards (SFFAS) 34, paragraph 5 states:

The hierarchy of generally accepted accounting principles, hereafter referred to as the GAAP hierarchy, governs what constitutes GAAP for federal reporting entities. It lists the priority sequence of pronouncements that a federal reporting entity should look to for accounting and financial reporting authoritative guidance. The sources of accounting principles that are generally accepted are categorized in descending order of authority as follows:

**Level A.** Officially established accounting principles consist of FASAB Statements of Federal Financial Accounting Standards (Standards) and Interpretations. FASAB Standards and Interpretations will be periodically incorporated in a publication by the FASAB.

**Level B.** FASAB Technical Bulletins and, if specifically made applicable to federal reporting entities by the AICPA and cleared by the FASAB, AICPA Industry Audit and Accounting Guides.

**Level C.** Technical Releases of the Accounting and Auditing Policy Committee of the FASAB.

**Level D.** Implementation guides published by the FASAB staff, as well as practices that are widely recognized and prevalent in the federal government.

2. SFFAS 34 generally carried forward the hierarchy as set forth in Statement of Auditing Standards (SAS) 91, *Federal GAAP Hierarchy*. ~~At that time, the~~ [previous](#) Board recognized that users would be familiar with this approach, and it would not significantly affect practices.
3. ~~A goal of standard setters is to ensure the standards are user-friendly and effective. The Board believes it important to review the hierarchy levels to assess whether the standard-setting process and the federal financial reporting environment have significantly evolved since the establishment of the original to warrant reconsideration or reconfiguration of certain aspects of the structure.~~
4. ~~Accordingly, the Board is interested in whether stakeholders believe the GAAP hierarchy is effective. It is important that GAAP hierarchies generally distinguish between categories of authority based on the rigor of due process and the standard-setting body's intended purpose of the guidance. Also consistency in application is desired because less variation would generally improve the consistency and thereby increase the usefulness of financial~~

statement information. Obtaining input from stakeholders regarding the GAAP hierarchy and its application is needed to inform the Board on the extent to which the current four-level federal GAAP hierarchy is effective.

5.3. Several years ago, both FASB and GASB revisited their hierarchies and addressed the use of “authoritative” and “nonauthoritative” literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. For example, ~~several years ago~~ GASB updated its GAAP hierarchy in GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*:

This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature<sup>6</sup> in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.”

4. The Board understands and echoes the importance of consistency, especially when it comes to improving the understanding and application of accounting standards. As noted, SFFAS 34 generally carried forward the hierarchy as set forth in SAS 91, *Federal GAAP Hierarchy*.<sup>7</sup> The Board believes it important to review the hierarchy levels to assess whether the standard-setting process and the federal financial reporting environment have significantly evolved since the establishment of the original hierarchy to warrant reconsideration or reconfiguration of certain aspects of the structure.

5. Accordingly, the Board is interested in stakeholder feedback regarding experiences and whether stakeholders believe the GAAP hierarchy is effective. It is important that GAAP

<sup>6</sup> Sources of nonauthoritative accounting literature include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board, Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

<sup>7</sup> At the time SFFAS 34 was issued, the previous Board explained in the Basis for Conclusions that were multiple sources of administrative directives, many types of directives, and varying processes for developing directives. Further, resolving placement for all administrative directives may require significant study, especially if a particular directive or published guidance scope exceeds the purview of FASAB. As a result, the Board adopted the GAAP hierarchy as it existed in the AICPA audit literature and did not intend to change.

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hierarchies generally distinguish between categories of authority based on the rigor of due process and the standard setting body's intended purpose of the guidance. Also, consistency in application is desired because less variation would generally improve the consistency and thereby increase the usefulness of financial statement information. Obtaining input from stakeholders regarding the GAAP hierarchy and its application is needed to inform the Board on the extent to which the current federal GAAP hierarchy is working as intended and effective. As such, the Board believes it important to determine if the framework of a four-level hierarchy is working as intended.

6. For example, Specifically, what, if any, uncertainties exist stemming from sources determined to be lower-level GAAP (e.g., level D from a non-FASAB source). the Board is interested in whether it would be useful to clarify where administrative directives (e.g. OMB, and Department of the Treasury guidance) would be considered in the hierarchy. Also, the Board is interested in whether "practices that are widely recognized and prevalent in the federal government" is sufficiently clear. Both FASB and GASB include "practices that are widely recognized and prevalent" in their discussion of non-authoritative literature, but do not define it further.<sup>8</sup>

7.6. For example, FASAB has received several technical inquiries specific to the GAAP Hierarchy (including those concerning Level D guidance citing "practices that are widely recognized and prevalent in the federal government.") have been questions regarding how level D ties to the AICPA Code of Professional Conduct "Accounting Principles Rule"<sup>9</sup>

8.7. Therefore, the Board believes asking stakeholders to provide specific details and practice examples would assist the Board in determining if the four-level federal GAAP hierarchy is effective. The Board is also interested in learning if stakeholders have an adequate understanding<sup>10</sup> of and can properly apply the federal GAAP hierarchy.<sup>11</sup> This means users have an understanding about the pronouncements' order of authority, including the concepts statements.

## FASAB GAAP HIERARCHY QUESTIONS

**QUESTION 1.1:** The federal GAAP hierarchy in SFFAS 34 consists of the sources of accounting principles and the framework for selecting the principles used in the

<sup>8</sup> At the time SFFAS 34 was issued, the Board considered some respondents' beliefs that it would be useful to discuss the location of administrative directives within the hierarchy. As explained in the Basis for Conclusions, there were multiple sources of administrative directives, many types of directives, and varying processes for developing directives. Further, the Board believed that resolving placement for all administrative directives may require significant study. As a result, the Board adopted the GAAP hierarchy as it then existed in the AICPA audit literature and did not intend to change then current practices.

<sup>9</sup> The AICPA Code of Professional Conduct "Accounting Principles Rule" (ET 1.320.001) that accounting principles are promulgated by bodies designated by Council, which are listed in paragraph .01 and in appendix A, "Council Resolution Designating Bodies to Promulgate Technical Standards" (ET 1.320.020 paragraph .02)

<sup>10</sup> FASAB staff offers training on the federal GAAP hierarchy.

<sup>11</sup> FASAB staff offers training on the federal GAAP hierarchy.

preparation of general purpose financial reports of federal entities in conformity with GAAP. Do you agree that SFFAS 34 clearly and sufficiently explains the federal GAAP hierarchy and its application to federal accounting and reporting?

Choose an item.

Please explain your response, ~~including indicating any perceived challenges with applying SFFAS 34 (e.g., utility in applying SFFAS 34 to resolving accounting and reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship to other standard-setters.)~~ Click or tap here to enter text.

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

Choose an item.

Please explain your response, including ~~indicating~~ any perceived challenges with applying SFFAS 34 (e.g., utility in applying SFFAS 34 to resolving accounting and reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship to other standard-setters, inconsistencies with different levels of GAAP, questions regarding the application of "practices that are widely recognized and prevalent in the federal government.") Click or tap here to enter text.

~~**QUESTION 1.3:** Do you believe the Board should reassess the four-level federal GAAP hierarchy to determine if some categories should be combined to provide for fewer levels?~~

~~Please explain your response, including specific details and examples to support your rationale.~~

**QUESTION 1.34:** Do you believe training would assist in your understanding and application of the federal GAAP hierarchy in SFFAS 34?

Choose an item.

Please explain your response, including specific details and examples to support your rationale. Click or tap here to enter text.

## II. ~~Potential Reexamination Approaches (of FASAB Standards)~~<sup>12</sup>

~~9.8.~~ FASAB has issued 60 Statements<sup>13</sup> since 1993, this includes sixteen amending standards, at least eight rescinded standards, six deferrals, and two omnibus standards. Accordingly, this results ~~to in~~ approximately 27 standards that addressed 'new topics.' Additionally, there are eight concepts statements, 11 Interpretations, and other lower-level pronouncements. ~~These numbers demonstrate that the Board promulgated and addressed many issues in a piecemeal manner by amending, expanding, deferring, and even rescinding standards.~~ Given the vast amount of guidance issued since FASAB's inception, the Board believes there will be great value to assess the full set of standards in its entirety.

~~10.9.~~ Standard setters should periodically reexamine accounting standards to ensure standards are effective in providing financial information that supports public accountability and meets user needs. By doing so, it allows the opportunity to assess their current applicability and to eliminate or revise unnecessary requirements while ensuring federal financial reporting objectives are met. For example, the GASB<sup>14</sup> generally reexamines its existing standards statement by statement, as opposed to on a broad topic basis. Although FASAB has evaluated portions of existing standards and provided technical clarifications on certain matters<sup>15</sup>, this would be the first reexamination of the entire set of federal GAAP. Accordingly, obtaining feedback from stakeholders regarding which standards or topics are most in need of reexamination ~~along with feedback on various approaches~~ will assist the Board in determining how best to review 30 years' worth of standards.

~~11.10.~~ Reexamination of existing standards will allow the Board to assess their current relevance and to identify opportunities to streamline authoritative guidance. During the reexamination, the Board will focus on issues related to (1) the usefulness of disclosures and other required information, (2) inconsistencies with current practice, and (3) the need for clarifications (including difficulties applying requirements). It is important to consider the competing demands in the federal financial management community ~~during the project~~. When appropriate, the Board will explore opportunities to reduce preparer burden by considering feedback on changes to existing standards and areas where clarification may be needed while being cognizant of the federal financial reporting objectives. Accordingly,

<sup>12</sup> ~~The last section of the ITC (see **III. Codification of FASAB Standards and FASAB Handbook Improvements**) discusses codification and improvements to the FASAB Handbook. The Board believes it important to consider and be mindful whether any problems or issues exist due to the current method of delivery of the accounting pronouncements, reexamination approaches along with this discussion.~~

<sup>13</sup> See [Appendix A-Matrix of Individual SFFAS](#) for more details.

<sup>14</sup> ~~The GASB Post-Implementation Review (PIR) Process begins after the issuance of Statements and is an evaluation of whether standards are achieving their objectives. During the PIR process, the Board solicits and considers diverse stakeholder input. See <https://gasb.org/pir#section-1>. The standards that GASB reviews for reexamination have been in effect for more than five years. GASB consults with the Governmental Accounting Standards Advisory Council (GASAC), state and local government stakeholders, and financial statement users on potential standards for reexamination. GASB does plan to eventually reexamine all of its standards/topics.~~

<sup>15</sup> The Technical Clarifications of Existing Standards project (and archived project, Evaluation of Existing Standards) addresses requests to clarify portions of existing standards. See <https://fasab.gov/projects/archived-projects/evaluation-of-existing-standards/> and <https://fasab.gov/projects/active-projects/debt-cancellation/> for more information about the project.

cost/benefit considerations will be of primary importance in the reexamination of existing standards.

~~42.11.~~ The ~~scope of the~~ Reexamination project would include all<sup>16</sup> Statement of Federal Financial Accounting Standards (SFFASs). ~~However, the~~ The Board believes it is important that ~~the scope also include the~~ project include Interpretations of Federal Financial Accounting Standards (Interpretations), and Technical Bulletins. Including these pronouncements will ensure the reexamination is thorough and consistent.

~~43.12.~~ Federal Financial Accounting Technical Releases (Technical Release) will not be included in the reexamination scope project because the FASAB's Rules of Procedure authorizes the Accounting and Auditing Policy Committee (AAPC) to issue technical releases<sup>17</sup> related to existing federal accounting standards. The Board anticipates the AAPC would begin a similar project to conform all TRs to efforts resulting from the reexamination project. Staff will review the Staff Implementation Guidance (SIG)<sup>18</sup> to ensure they conform to the changes.

~~44.13.~~ In addition, Statement of Federal Financial Accounting Concepts (SFFAC) will not be included in the reexamination project scope because most SFFACs were considered when the Board completed its reporting model project.<sup>19</sup> Also, the Board notes that SFFAC are not GAAP. SFFAC guide the Board's development of accounting and reporting standards by providing the Board with a common foundation and basic reasoning on which to consider the merits of alternatives.

~~45.14.~~ It may ~~also~~ be helpful to consider the process and rationale by which new projects are added to ~~the~~ FASAB agenda. New projects are added to the active agenda based on periodic prioritization by the Board. The Board annually reviews its technical agenda in August just prior to the start of the federal government's fiscal year to determine priorities for the upcoming year. The Board also conducts a mid-year review of the technical agenda at the February meeting after receiving comments on FASAB's annual report and three-year plan.

~~46.15.~~ With each annual review, the Board identifies its priorities so that research can begin when resources are available. Projects identified as priorities but not as active agenda topics are considered "research projects." In August of each year, the Board discusses those priorities and makes needed adjustments to the technical agenda<sup>20</sup>. The Board prioritizes projects based on the following factors:

<sup>16</sup> Certain SFFASs may be excluded from the reexamination project due to specific reasons (such as SFFAS not yet effective, SFFAS currently under Board review) please see Appendix A-Matrix of Individual SFFAS for more details.

<sup>17</sup> Proposed technical releases are submitted to FASAB for a 45-day review. If neither a majority of FASAB nor a member representing a FASAB sponsor objects to the proposed technical release during the review period, then it shall become final.

<sup>18</sup> As of ~~January~~ March 2023, there are two SIGs.

<sup>19</sup> See archived project page <https://fasab.gov/projects/archived-projects/concepts-the-financial-report/>.

<sup>20</sup> The Reexamination of Existing Standards project was initially added as a Research Topic and then approved to an active project in August 2021.

- The likelihood a potential project will significantly contribute to meeting the Operating Performance and Stewardship reporting objectives<sup>21</sup> established in SFFAC 1, *Objectives of Federal Financial Reporting*
- The significance of the issue relative to meeting reporting objectives
- The pervasiveness of the issue among federal entities
- The potential project's technical outlook and resource needs

~~47.16.~~ Members also consider the following additional factors that they deem significant in planning the technical agenda:

- A focus on citizens and citizen intermediaries as the primary users of the consolidated financial report of the U.S. Government
- Attention to the needs of Congress and program managers
- Effects on preparers and auditors due to declining real budgets
- Increasing risks due to fiscal uncertainty and operational complexity
- Increased electronic reporting and availability of relevant information in sources other than financial reporting

~~48.17.~~ The Board believes the above process and factors considered in prioritizing projects are important for stakeholders to understand as they respond to the ITC.

~~49.18.~~ The reexamination of existing standards will be a huge undertaking, can be approached in many different ways and identifying an optimal approach is essential to the success of the project. Stakeholders should be Therefore, the Board believes it prudent to take the necessary time to ensure stakeholders are a part of the process to vet all options prior to committing significant resources to this effort. As such, the Board believes it very important to remind respondents to support their answers (recommended approaches or suggested alternatives) with information that will enable the Board to have a full understanding. While this may seem typical with FASAB questions, it bears even greater importance when you consider the fact that the information will help the Board determine an approach for a project that will span probably a decade (or more) and involve several sub-projects, mindful of the importance of responding to the ITC. It is an opportunity for stakeholders to provide comments on issues and concerns surrounding all<sup>22</sup> of the existing SFFASs for the Board's consideration. As explained, it is critical that responses include rationale and detailed information, including specific SFFASs references where appropriate that will enable the Board to have a full understanding of issues and concerns.

~~19.~~ It is critical that respondents include detailed information to support their rationale. For example, rRespondents may wish to provide information that would help the Board understand why the reexamination of a particular SFFAS might take precedence or be considered more important than the reexamination of another SFFAS. For example,

<sup>21</sup> The Board determined that the Operating Performance and Stewardship reporting objectives would be 'primary near term objectives' when the Board revisited the concepts given the changes in the federal financial reporting environment. See report FASAB's Strategic Directions: *Clarifying FASAB's Near-Term Role in Achieving the Objectives of Federal Financial Reporting* at <https://fasab.gov/about-fasab/governance-documents/strategic-directions>

<sup>22</sup> Certain SFFASs may be excluded from the reexamination project due to specific reasons (such as SFFAS not yet effective) please see **Appendix A-Matrix of Individual SFFAS** for more details.



respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit, perceived gaps or overlaps in standards, or other significant information to explain the need for reexamination of the SFFAS. It is important for respondents to be specific with their reasoning and provide as much detail because there are reporting entities of various sizes with different levels of materiality that may have different types of issues deemed critical that are put forth for the Board's consideration.

20. Questions for respondents will look at the entire set of standards in a couple of formats. The purpose of asking varying questions is to ensure that questions have been posed in a manner that will resonate with stakeholders so that all issues and concerns with the existing standards are identified for the Board's consideration.

20. For example, a question will ask respondents to identify areas requiring reexamination on a high-level or broad topic basis -

21. When considering the various approaches, the Board would consider the advantages and disadvantages of the approaches when it makes the final determination. Respondents should also remain cognizant of this—not only when considering options but as a reminder of the importance to share the reasons and detailed support for responses provided as the specific details will be important for Board consideration as it deliberates the approaches and makes a selection. The Board believes identifying the different approaches (as well as allowing the respondent to submit others) and requesting detailed feedback would be the most appropriate means to ensure all approaches are fully deliberated. The reexamination of existing standards may be approached in many different ways, such as:

- A targeted approach, addressing the guidance most in need of revision based on specific criteria, e.g., a desire to streamline reporting.
- Chronologically, starting with the oldest standards and progressing through to the most recently issued standards. (One by one approach of 'new topic' standards<sup>23</sup>)
- Broad topical approach (topics presented at a high level such as FASAB's EZ-FAS<sup>24</sup>)
- Narrow topical approach (e.g., property, plant, and equipment, long-term debt, land, etc.)
- By type of information (e.g., basic information before RSI); then within basic information, how they should be examined (e.g., statements before notes or concurrent with notes); and then within the statements, which statement should be first, second, etc.

22. A targeted approach could be used in the reexamination. A targeted approach would address the critical areas in need of revision based on specific criteria. For example, the Board could address areas containing the most outdated guidance; areas with duplicate reporting and a desire to streamline reporting; areas with frequent technical inquiries; areas

<sup>23</sup> See **Appendix A-Matrix of Individual SFFAS** for more details.

<sup>24</sup> See **Appendix B, FASAB's EZ-FAS**. FASAB staff developed the EZ-FAS training aid that categorizes all guidance into 12 topical areas.

with a long history of audit issues, and/or with a connection to GAO's high risk list; areas precipitating significant preparer burden vs. perceived value of the information; areas with lots of consolidation issues; and topics addressed by other standard setters. It is important for respondents to be specific with their reasoning and provide as much detail because there are reporting entities of various sizes with different levels of materiality that may have different types of issues deemed critical that are put forth for the Board's consideration.

23. ~~A one-by-one or chronological approach would entail starting with the oldest standards and working through the full set of standards. The Board recognizes there are considerations when advancing through the pronouncements sequentially. The Board would consider the fact that certain pronouncements have been amended or rescinded by later pronouncements and group them accordingly. Although there have been 60 Statements issued by FASAB, there have been 27 'new topic' standards because certain SFFASs amended standards, rescinded standards, or deferred standards. Please see [Appendix A: Matrix of Individual SFFAS](#) for more details.~~

24. ~~Another approach is reviewing the standards on a broad topic basis, or topics presented at a high level such as assets and liabilities. These categories may pertain to one or multiple FASAB standards or other guidance using For example, FASB's areas or collections of guidance, discussed in paragraph 35, exemplifies this approach. Similarly, FASAB's EZ-FAS<sup>25</sup> (see [Appendix B, FASAB's EZ-FAS](#).) This question would be helpful for those who view issues on consistent with a broad topic basis. These categories may pertain to one or multiple FASAB standards or other guidance,<sup>26</sup> and would result in the reexamination focusing on the following broad topic areas:~~

- ~~• General Principles and Presentation,~~
- ~~• Management's Discussion and Analysis,~~
- ~~• Consolidated Financial Report,~~
- ~~• Cost Accounting,~~
- ~~• Assets and Liabilities,~~
- ~~• Property, Plant and Equipment,~~
- ~~• Revenue,~~
- ~~• Stewardship and Fiduciary Reporting,~~
- ~~• Direct Loans & Guarantees,~~
- ~~• Social Insurance,~~
- ~~• Pensions & OPEB,~~
- ~~• Long Term Fiscal Projections, and~~
- ~~• Broad Transactions.~~

<sup>25</sup> FASAB staff developed the EZ-FAS training aid that categorizes all guidance into 12 topical areas: [General Principles and Presentation](#), [Management's Discussion and Analysis](#), [Consolidated Financial Report](#), [Cost Accounting](#), [Assets and Liabilities](#), [Property, Plant and Equipment](#), [Revenue](#), [Stewardship and Fiduciary Reporting](#), [Direct Loans & Guarantees](#), [Social Insurance](#), [Pensions & OPEB](#), [Long Term Fiscal Projections](#), and [Broad Transactions](#).

<sup>26</sup> Although the EZ-FAS summary shows all pronouncements under each topic area, the reexamination project will be limited to SFFASs, Interpretations, and TBs.

21. ~~As the EZ-FAS summary shows, all pronouncements are provided under each topic area. Based on the feedback received through the ITC, the Board would choose areas most in need of review and those pronouncements<sup>27</sup> accordingly.~~

22. ~~The Board will also ask respondents to identify issues by looking at the SFFASs one-by-one or chronologically. A one-by-one or chronological approach would entail starting with the oldest standards and working through the full set of standards. The Board recognizes there are considerations when advancing through the pronouncements sequentially. The Board would consider<sup>28</sup> the fact that certain pronouncements have been amended or rescinded by later pronouncements and group<sup>29</sup> them accordingly. Although there have been 60 Statements issued by FASAB, there have been 27 'new topic' standards because certain SFFASs amended standards, rescinded standards, or deferred standards. Also, because of certain circumstances and factors<sup>30</sup>, the Board will exclude certain SFFASs from reexamination but respondents are welcome to provide feedback. Please see Appendix A-Matrix of Individual SFFAS for more details.~~

25.23. ~~The responses and detail provided will assist the Board as it prioritizes issues and develops an appropriate approach to the reexamination. As appropriate, A similar, yet more detailed option to consider is a narrow topical approach. A narrow topic approach might include the FASB's topics<sup>29</sup> or FASAB's Topical Index<sup>30</sup> and would allow the Board to identify and isolate critical issues that respondents believe are important. However, difficulties may arise with this approach since certain pronouncements encompass several narrow topics. Further, approaching in a piecemeal fashion may get complicated and make it difficult to ensure all areas are reexamined. the Board may use a targeted approach in the reexamination. A targeted approach would address the critical areas in need of revision based on specific criteria. For example, the Board could address areas containing the most outdated guidance; areas with duplicate reporting and a desire to streamline reporting; areas with frequent technical inquiries; areas with a long history of audit issues, and/or with a connection to GAO's high risk list; areas precipitating significant preparer burden vs perceived value of the information; areas with lots of consolidation issues; and topics addressed by other standard-setters.~~

26. ~~Another option is to approach the reexamination project by type of information in the general purpose federal financial report. Some stakeholders may prefer that the reexamination focus or place emphasis on the type of information and then prioritize sub-types within each type (e.g., statements vs note disclosures, and then possibly prioritizing within the sub-type which statement should be first, second, etc.).~~

<sup>27</sup> Although Technical Releases (TRs) are included on the EZ-FAS, TRs will not be included in the scope of the Reexamination as explained in paragraph 13.

<sup>28</sup> SFFASs that have not been implemented or SFFASs that pertain to a current Board project would be excluded from reexamination.

<sup>29</sup> See paragraph 35 for more information regarding FASB's topics.

<sup>30</sup> As paragraph 43 details, the Board is requesting feedback on whether stakeholders are currently aware of and use the Topical Index. The Board believes the index could be improved so that the topics are more consistent with pronouncements. If feedback determines this would be a good resource and used by the financial management community, resources may be made available to improve the index.

27. The Board recognizes that a targeted approach may be used in combination with some of the other approaches. For example, some stakeholders may prefer to approach the reexamination based on one approach, such as a broad topic approach but then further assess those based on targeted criteria for ranking.

28. The Board is open to other approaches not discussed in the ITC and requests stakeholders to please provide the details of a suggested approach that they believe should be considered. The accompanying questions pertain to the approaches to the reexamination project.

#### POTENTIAL REEXAMINATION APPROACHES (OF FASAB STANDARDS) QUESTIONS

**QUESTION 2.1:** Do you agree that the scope<sup>31</sup> of the Reexamination project would include all Statement of Federal Financial Accounting Standards (SFFAS), Interpretations of Federal Financial Accounting Standards (Interpretation), and Technical Bulletins?

Please explain your response, including specific details and examples to support your rationale.

**QUESTION 2.2:** If the Board were to undertake the Reexamination project, do you believe there are opportunities to eliminate or revise unnecessary requirements?

Please explain your response, including specific details and examples to support your rationale. For responses indicating YES please also describe in specific detail the areas you believe are the greatest opportunities to eliminate or revise unnecessary requirements.

**QUESTION 2.3<sup>1</sup>:** Below is a truncated version of [Appendix A-Matrix of Individual SFFAS](#) to assist with question 2.3<sup>1</sup>, but respondents should review Appendix A<sup>32</sup> in its entirety for a full understanding.

<sup>31</sup> As explained in paragraphs 13-14, Technical Releases (TRs) are not included because the FASAB's Rules of Procedure authorizes the AAPC to issue technical releases related to existing federal accounting standards and it is anticipated that a similar project will begin to conform TRs. There are only three Staff Implementation Guidances that have been issued and staff will ensure those conform to the changes. Further, Statement of Federal Financial Accounting Concepts (SFFACs) are not included because they are used by the Board and were considered in a recent project by the Board.

<sup>32</sup> [Appendix A-Matrix of Individual SFFAS](#) provides more details regarding how the 60 SFFASs result in 27 'new topic' standards (i.e., those SFFAS which do NOT amend, rescind, defer, or otherwise modify

**2.31a** Which SFFAS ‘topic’ do you believe the Board should prioritize or give greater importance as part of the Reexamination project? For each SFFAS topic item, please indicate the priority level for the extent to which you agree with the need to reexamine. The extent to which you agree should be an indication of your opinion as to the relative priority for reexamining that topic item. Selection options:

(1) HIGH priority: topic and related SFFASs are of significant concern and should be included in the reexamination with priority.

(2) MEDIUM/LOW priority: topic and related SFFASs should be included in the reexamination, but after HIGH priority topics are addressed.

(3) NONE priority – topic and related SFFASs do not need to be reexamined.

Please explain your response, including specific details and examples to support your rationale, especially those ranked HIGH Priority and Medium/Low Priority.

Provide information (including specific SFFASs 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 the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps<sup>33</sup> in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS.

SFFAS Topic #	Statement of Federal Financial Accounting Standards (SFFASs) with links to full pronouncement	Answers will be drop down
1	<a href="#">SFFAS 1, Accounting for Selected Assets and Liabilities</a>	<a href="#">Choose an item.</a> <a href="#">Click or tap here to enter text.</a>
2	<a href="#">SFFAS 2, Accounting for Direct Loans and Loan Guarantees AS AMENDED BY: SFFAS 18, SFFAS 19</a>	<a href="#">Choose an item.</a> <a href="#">Click or tap here to enter text.</a>

Commented [BML3]:

Commented [BML4]:

Commented [BML5]:

Commented [BML6]:

existing guidance.) Therefore, a chronological FASAB reexamination project would potentially address up to 27 ‘new topic’ standards.

<sup>33</sup> The Board recognizes there is a process in place for obtaining input on the Board’s agenda and new projects. This would relate to perceived voids and/or gaps in the existing GAAP standards that require clarification and respondents believe it should be addressed in the Reexamination project. The Board notes that often some areas may not be clear or sufficiently addressed in current GAAP or they may appear to be a void if the topic is not adequately addressed or sufficiently clear. If so, please list those topic(s), specifying your reasons why they should be included in the reexamination and the urgency of that need. Please provide the information and detail needed to clearly explain your reasons and the urgency. This information would be helpful to the Board in understanding why the topic might take precedence or be considered more important than another.

3	<b>SFFAS 3, Accounting for Inventory and Related Property</b> AS AMENDED BY: <b>SFFAS 48</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
4	<b>SFFAS 4, Managerial Cost Accounting Standards and Concepts</b> AS AMENDED BY: <b>SFFAS 55</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
5	<b>SFFAS 5, Accounting for Liabilities of The Federal Government</b> AS AMENDED BY: <b>SFFAS 12, SFFAS 25</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
6	<b>SFFAS 6, Accounting for Property, Plant, and Equipment</b> AS AMENDED BY: <b>SFFAS 23, SFFAS 40, SFFAS 50</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
7	<b>SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</b> AS AMENDED BY: <b>SFFAS 20, SFFAS 21, SFFAS 53</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
8	<b>SFFAS 10, Accounting for Internal Use Software</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
9 <sup>34</sup>	<b>SFFAS 15, Management's Discussions and Analysis</b>	<a href="#">Click or tap here to enter text.</a>

<sup>34</sup> SFFAS 15, *Management's Discussions and Analysis* is excluded from reexamination because the SFFAS is currently being reviewed under an active Board project.

10	<b>SFFAS 17, Accounting for Social Insurance</b> AS AMENDED BY: <b>SFFAS 26, SFFAS 37</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
11	<b>SFFAS 24, Selected Standards for the Consolidated Financial Report of the United States Government</b> AND <b>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"</b> both <b>SFFAS 24</b> and <b>SFFAS 32</b> considered to be CFR topic	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
12	<b>SFFAS 27, Identifying and Reporting Funds from Dedicated Collections</b> AS AMENDED BY: <b>SFFAS 43</b>	<a href="#">Choose an item.</a>  <a href="#">Click or tap here to enter text.</a>
13	<b>SFFAS 29, Heritage Assets and Stewardship Land</b>	<a href="#">Click or tap here to enter text.</a>
14	<b>SFFAS 31, Accounting for Fiduciary Activities</b>	<a href="#">Click or tap here to enter text.</a>
15	<b>SFFAS 33, Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</b>	<a href="#">Click or tap here to enter text.</a>
16	<b>SFFAS 34, The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</b>	<a href="#">Click or tap here to enter text.</a>
17	<b>SFFAS 36, Comprehensive Long-Term Projections for the U.S. Government</b>	<a href="#">Click or tap here to enter text.</a>
18	<b>SFFAS 38, Accounting for Federal Oil and Gas Resources</b>	<a href="#">Click or tap here to enter text.</a>
19	<b>SFFAS 39, Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</b>	<a href="#">Click or tap here to enter text.</a>
20	<b>SFFAS 44, Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</b>	<a href="#">Click or tap here to enter text.</a>

21	<b>SFFAS 47, Reporting Entity</b>	<a href="#">Click or tap here to enter text.</a>
22	<b>SFFAS 49, Public-Private Partnerships: Disclosure Requirements</b>	<a href="#">Click or tap here to enter text.</a>
23	<b>SFFAS 51, Insurance Programs</b>	<a href="#">Click or tap here to enter text.</a>
24	<b>SFFAS 52, Tax Expenditures</b>	<a href="#">Click or tap here to enter text.</a>
25 <sup>35</sup>	<b>SFFAS 54, Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment AS AMENDED BY: SFFAS 60, SFFAS 57</b>	<a href="#">Click or tap here to enter text.</a>
26 <sup>36</sup>	<b>SFFAS 56, Classified Activities</b>	<a href="#">Click or tap here to enter text.</a>
27 <sup>37</sup>	<b>SFFAS 59, Accounting and Reporting of Government Land</b>	<a href="#">Click or tap here to enter text.</a>

~~In addition, you are encouraged to provide specific details and examples to support your rationale, especially those ranked strongly agree or agree above.~~

**2.31b Please list What are your top five SFFAS ‘topics’ from the above list, in priority sequence that should be reviewed as part of the reexamination project?**  
 (As you prioritize a list of the top five SFFAS ‘topics’ needing reexamination, please be sure to consider your above rankings (i.e., one would expect that those labeled (1) strongly agreeHigh Priority would be ranked first, then any remaining would be filled by those labeled (2) Medium- Low priorityor agree.)

**#1. Choose an item.**

**#2. Choose an item.**

**#3. Choose an item.**

**#4. Choose an item.**

**#5. Choose an item.**

<sup>35</sup> SFFAS 54, *Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment* is excluded from the reexamination project because the SFFAS is not yet effective.

<sup>36</sup> SFFAS 56, *Classified Activities* is excluded from the reexamination project due to the topic.

<sup>37</sup> SFFAS 59, *Accounting and Reporting of Government Land* is excluded from the reexamination project because the SFFAS is not yet effective.



**Please explain your response, including specific details and examples to support your rationale.** Provide information (including specific SFFASs references where appropriate) that would help ~~This information would be helpful to~~ the Board in understanding why the reexamination of a particular SFFAS might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps<sup>38</sup> in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS. ~~The Board may use this information for further deliberations regarding the reexamination approach.~~ **Click or tap here to enter text.**

**QUESTION 2.42:** ~~What are your top three broad topic areas from FASAB's EZ-FAS topics<sup>39</sup> in priority sequence should that e Board should prioritize as most important for review~~ ed as part of the reexamination project? Please list the top 3 broad topic areas (from FASAB's EZ-FAS topics in the drop-down menu) in priority sequence.

**#1. Choose an item.**

**#2. Choose an item.**

**#3. Choose an item.**

**Please explain your response, including specific details and examples to support your rationale.** This information would be helpful to the Board in understanding why the reexamination of a particular broad topic area might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS. The

<sup>38</sup> The Board recognizes there is a process in place for obtaining input on the Board's agenda and new projects. This would relate to perceived voids and/or gaps in the existing GAAP standards that require clarification and respondents believe it should be addressed in the Reexamination project. The Board notes that often some areas may not be clear or sufficiently addressed in current GAAP or they may appear to be a void if the topic is not adequately addressed or sufficiently clear. If so, please list those topic(s), specifying your reasons why they should be included in the reexamination and the urgency of that need. Please provide the information and detail needed to clearly explain your reasons and the urgency. This information would be helpful to the Board in understanding why the topic might take precedence or be considered more important than another.

<sup>39</sup> Please see paragraph [214](#) and [Appendix B-FASAB's EZ-FAS](#) for more details regarding the EZ-FAS topics and the SFFAS breakdown into these categories.

Board may use this information for further deliberations regarding the reexamination approach. [Click or tap here to enter text.](#)

**QUESTION 2.5: Please rank the approach options in order of preference (1 most preferred, to 5 least preferred.) You may also provide alternative approaches for the Board's consideration via the BLANK line. Some stakeholders may prefer to use a combined approach—if so, this should also be described in the BLANK line. (If alternatives are listed, the ranking should be adjusted accordingly. The following are the potential approaches<sup>40</sup>:**

- a. ~~A targeted approach, addressing the guidance most in need of revision based on specific criteria, e.g., a desire to streamline reporting. RANK~~
- b. ~~Chronologically, starting with the oldest standards and progressing through to the most recently issued standards. (One by one approach of 'new topic' standards<sup>41</sup>.) RANK~~
- c. ~~Broad topical approach (e.g., topics presented at a high level such as FASAB's EZ-FAS<sup>42</sup>). RANK~~
- d. ~~Narrow topical approach (e.g., property, plant, and equipment, long-term debt, land, etc.) using FASB's topics or FASAB's Topical Index RANK~~
- e. ~~By type of information (e.g., basic before RSI); then within basic information, how they should be examined (e.g., statements before notes or concurrent with notes); and then within the statements, which statement should be first, second, etc. RANK~~
- f. ~~(Blank Option to provide) RANK~~
- g. ~~(Blank Option to provide) RANK~~

**~~Please explain your response, including specific reasons, details and examples or other information that you believe important to support your reasoning and rationale.~~**

### III. Codification of FASAB Standards and FASAB Handbook Improvements

29.24. FASAB currently incorporates all pronouncements into *The FASAB Handbook of Accounting Standards and Other Pronouncements (FASAB Handbook)* and updates it on an annual basis. The FASAB Handbook is the most up-to-date, authoritative source of GAAP developed for federal reporting entities. The annual Handbook update includes incorporating the new pronouncements and updating previously issued pronouncement for any amendments in the new standards. Each pronouncement is presented individually in the

<sup>40</sup> The approaches are listed in the order they were presented in the ITC.

<sup>41</sup> See **Appendix A Matrix of Individual SFFAS** for more details.

<sup>42</sup> See **Appendix B, FASAB's EZ-FAS**. FASAB staff developed the EZ-FAS training aid that categorizes all guidance into 12 topical areas.

handbook by chapter, and those issuances not already included in the complete handbook will be incorporated into the next annual update.<sup>43</sup>

~~30-25.~~ As of September 2022, the FASAB Handbook was comprised of 60 individual Standards and 11 Interpretations, 11 Technical Bulletins, 21 Technical Releases, 8 Concept Statements and 3 Staff Implementation Guidance as well as other non-authoritative guidance. These numbers demonstrate that the Board promulgated and addressed many issues in a piecemeal manner by amending, expanding, deferring, and even rescinding standards. ~~The annual update includes incorporating the effects of each previously issued pronouncement. Each pronouncement is presented individually in the handbook by chapter, and those issuances not already included in the complete handbook will be incorporated into the next annual update.~~<sup>44</sup>

26. Standard setters face challenges in the delivery of up-to-date accessible accounting standards. Determining ways to improve the delivery of accounting standards makes sense as the Board would like to streamline and update as deemed necessary the 30-plus years of pronouncements to make the guidance more consistent and user-friendly for stakeholders and thereby enhancing usability. Accordingly, the Board will consider alternatives for providing standards to the community, such as codification, along with revisiting pronouncements for reexamination.

~~31-27.~~ Although the Board has not made a firm decision, nor are the necessary resources<sup>45</sup> available to begin a codification project, the information gained from stakeholders through this ITC would assist in determining the needs of stakeholders. Further, the Board believes it important to plan and leverage work in these areas and consider a collaborative approach should be considered where appropriate. ~~For example, a firm commitment of resources to support codification could assist staff and the Board with assessing the full set of standards to identify gaps inconsistencies, and ways to streamline the standards for the reexamination of existing standards project. Alternatively, if there is not a firm commitment of resources for a codification of the standards, staff notes that the reexamination of existing standards project should continue while planning for a standards codification.~~

~~32-28.~~ Codification is an abstract term that individuals may interpret differently. Oxford defines codification as “the action or process of arranging laws or rules according to a system or plan.” Hence, most accountants refer to a codification of accounting standards by topics.

~~33.~~ For example, FASB’s codification provides user access to all authoritative US GAAP for non-governmental entities in a topically based model. In the FASB codification, the Area represents the larger collection of guidance and the Topic, Subtopic and Section represent the more granular and detailed level of guidance within the Area. ~~FASB’s nine Topical Areas~~

<sup>43</sup> For a brief history, please review the Archived FASAB Handbooks page at <https://fasab.gov/accounting-standards/archived-versions/> that provides links to all versions of the FASAB Handbook.

<sup>44</sup> For a brief history, please review the Archived FASAB Handbooks page at <https://fasab.gov/accounting-standards/archived-versions/> that provides links to all versions of the FASAB Handbook.

<sup>45</sup> The Board understands that this would be a huge undertaking and require a vast amount of staff and other resources. Further, the Board would have to review the entire codification for it to be authoritative.

include General Principles, Presentation, Assets, Liabilities, Equity, Revenue, Expenses, Broad Transactions, and Industry. The nine topics are a collection of related guidance. For example, Assets cover Cash and Cash Equivalents, Receivables, Investments, and Inventory, etc. Subtopics represent a further drill down of the Topic and are generally distinguished by type or scope. Sections display the details and content.

~~34.29.~~ GASB also employed a topical based model for codification, but uses a different structure and organization. GASB has two GAAP hierarchy levels; (1) statements and (2) technical bulletins, implementation guides, and literature of the AICPA cleared by the GASB. Guidance in both levels are codified. The FASB codification discussed above includes all authoritative literature organized by a fixed or rigid hierarchy structure, whereas GASB dynamically organizes its codification using numeric paragraphs that are not consistent from topic to topic. ~~Specifically, the GASB codification is organized into five parts as follows: General Principles, Financial Reporting, Measurement, Broad Transactions, and Stand-alone reporting matters.~~

~~35.30.~~ While codification is the most commonly known manner to arrange or present accounting standards, not all standard setters have instituted a codification. For example, the IPSASB provides the *Handbook of International Public Sector Accounting Pronouncements*, published as of January 31 that also includes the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities. The IPSASB Handbook contains standards on specific topics. When IPSASB amends an existing standard it amends or replaces the old standards in the Handbook, thereby reducing the likelihood of having more than one standard on the same topic. While not a codification in the same sense as FASB, the IPSASB Handbook does have advantages because it assists users by organizing related guidance in the same place and replacing-updating ~~amending~~ standards. Though there are many differences, some may note similarities when comparing the IPSASB Handbook with the FASAB Handbook because both are “Handbooks” and both offer a synopsis of amendments at the beginning of standards. However, the layout, process for updating, and other factors<sup>46</sup> make the products very different.

~~36.31.~~ The Board is committed to improving the delivery of accounting standards and has considered codification and improvements to the FASAB Handbook in the past. In 2004 FASAB issued a Current Text (or Volume II) that presented the authoritative portions of pronouncements in a topical arrangement. The Current Text was only issued for a short time because there was concern that it was not widely used, so the cost to maintain appeared to exceed any benefit. The Board notes that the number of pronouncements (and underlying amendments) has increased since 2004, which has led to greater complications. Therefore, a new cost / benefit analysis may produce different results.

<sup>46</sup> For example, [International Federation of Accountants](https://www.ifac.org/e-international-standards) (IFAC) worked together with the standard-setting boards under its jurisdiction, including the International Public Sector Accounting Standards Board (IPSASB), to develop a modern platform allowing the profession easier access to international standards, while providing enhanced functionality in how the standards are used. To learn more about the platform and electronic tool, see <https://www.ifac.org/e-international-standards>.

37. In addition, in 2016 FASAB conducted focus group meetings<sup>47</sup> with the financial management community (representatives from that CFO, OIG and IPA communities) to evaluate alternatives for providing accounting standards. While most participants agreed that a topic arrangement would provide user benefits, the majority did not see the benefits outweighing perceived costs and resources. During the focus group sessions, most participants supported maintaining were generally pleased with the FASAB Handbook. However, participants offered they suggestions to ed that improvements to the functionality, search features, topical index, and other features of the current FASAB Handbook.

38.32. While certain participants also favored a topical codification, several concerns were voiced by participants about a transition to a topical codification. Most notable concerns included the different levels of GAAP and how they would be distinguished, as well as where the concepts and basis for conclusions would ultimately reside. There were also concerns about the amendments, effective dates, and potential issues with topics merging into one another. Participants voiced concern<sup>48</sup> about a transition to a topical codification because there was a strong preference to maintain the current handbook format. However, it is important to note that these types of issues came up because the participants realized that due to the extent of resources needed, both formats could not be produced going forward. Considering resource constraints, the Board in consultation with the FASAB staff determined that it would not be feasible to produce two formats if a transition to a topical codification was selected; that is, the current FASAB Handbook would no longer be updated.<sup>49</sup> Certain improvements (but not all discussed or envisioned) were made to the FASAB Handbook.

39. Another important plausible consideration is that the Board recognizes that most federal Departments or agencies prepare their own respective "Departmental Accounting Policy or Handbook" that is typically arranged by topic and updated with new FASAB pronouncements. The Board is cognizant that these provide and are based on the FASAB pronouncements but are also agency specific with management guidance. Therefore, topical guidance formats may exist in different settings.

40. Staff also conducted an educational session in February 2021 to inform the Board of staff's initial research pertaining to codifying existing FASAB guidance. Based on the limited procedures thus far, codification of the pronouncements by topic will require substantial FASAB resources, including added manpower, staff resources, as well as Board time. Further, such a project would take many years.

<sup>47</sup> For the full briefing memo please refer to this link:

[http://files.fasab.gov/pdf/files/tab\\_a\\_handbook\\_update\\_aug\\_2016.pdf](http://files.fasab.gov/pdf/files/tab_a_handbook_update_aug_2016.pdf)

<sup>48</sup> While certain participants favored a topical codification, several concerns were voiced by participants about a transition to a topical codification. Most notable concerns included the different levels of GAAP and how they would be distinguished, as well as where the concepts and basis for conclusions would ultimately reside. There were also concerns about the amendments, effective dates, and potential issues with topics merging into one another.

<sup>49</sup> The Board notes that it has been nearly 7 years since they obtained feedback from the community on this topic. Therefore, the feedback or perspectives may be outdated. Further, the Board would like to reexamine what is now feasible given advances in desktop publishing and other types of search capabilities.

41. The Board believes it important to hear feedback from the stakeholders on this important topic. As explained, it is important for the Board to understand the preference of stakeholders on these matters as it pertains to the Reexamination project. For example, a strong preference for topical codification may affect the manner in which the Board approaches the Reexamination project so that efficiencies can be gained where appropriate. As noted, both efforts would take significant resources and time.

42. In the meantime, the Board believes additional enhancements and improvements to the current Handbook that could improve functionally and increase its usability. Accordingly, the Board is requesting specific feedback from stakeholders. Potential enhancements include providing additional search capabilities, such as allowing a search by topic, providing users the ability to choose between authoritative and nonauthoritative guidance, or choosing between levels of GAAP. Other options include: (1) otherwise distinguishing via format changes (e.g., shading) between authoritative and nonauthoritative language within the FASAB Handbook (2) creating a separate .pdf that contains all authoritative language, or (3) creating separate .pdf or modifying organization of the handbook that groups standards and all corresponding amendments and related interpretations together.

43.33. The Board ~~also~~ believes there is merit in considering improvements to Appendix A, *Topical Index*<sup>50</sup> of the FASAB Handbook. For example, the FASAB could display the Topical Index in a more prominent manner at the beginning of the Handbook or on the FASAB website as a direct link under the Handbook by Chapter. The Board also recognizes the need to thoroughly review the Topical Index to ensure proper alignment with pronouncements or specific sections within pronouncements.

44.34. The Board recognizes a longstanding issue pertains to how the FASAB Handbook is updated to reflect amendments, especially those with delayed implementation. As the number of standards increases and the standards are subjected to numerous layers of amendments, it is much more complex for users to follow. For example, certain stakeholders have commented in the past that it is difficult to evaluate exposure drafts that have amendments because most often those would reference standards that have their own layers of amendments. Other complexities include the retention of obsolete content, such as rescinded terms, outdated examples, or other stale content in appendices in the handbook makes it harder to follow.

35. Another important consideration is that most federal Departments or agencies prepare their own respective "Departmental Accounting Policy or Handbook" that is typically arranged by topic and updated with new FASAB pronouncements. These are based on the FASAB pronouncements but are also agency-specific with management guidance. Therefore, topical guidance formats may exist in different settings.

45.36. The Board believes it important to hear feedback from the stakeholders on this important topic. As explained, it is important for the Board to understand the preference of stakeholders on these matters in conjunction with the reexamination. For example, a strong preference for topical codification may affect the manner in which the Board approaches the reexamination project so that efficiencies can be gained where appropriate. Likewise,

<sup>50</sup> The Board notes that users may be are unaware of Appendix A, *Topical Index* of the FASAB Handbook (see <http://fasab.gov/documentby-chapter/> and click on Appendix A: Topical Index PDF.)

understanding preferences could assist in implementing additional improvements to the current Handbook may improve functionally and increase its usability. Potential improvements include providing additional search capabilities, such as allowing a search by topic, providing users the ability to choose between authoritative and nonauthoritative guidance, or choosing between levels of GAAP. Other options include: (1) otherwise distinguishing via format changes (e.g., shading) between authoritative and nonauthoritative language within the FASAB Handbook (2) creating a separate .pdf that contains all authoritative language, or (3) creating separate .pdf or modifying organization of the handbook that groups standards and all corresponding amendments and related interpretations together. The Board believes ~~additional~~ enhancements and improvements to the current Handbook could improve functionally and increase its usability, thereby enhancing efficiency for users as they research accounting standards. ~~The Board appreciates all comments regarding how the Handbook affect your work and encourages additional insights and recommendations for improvements in this area.~~ The goal is to provide the FASAB Handbook in a manner that is coherent, comprehensive, readily accessible, and leaves no room for ambiguity or misinterpretation.

#### CODIFICATION OF FASAB STANDARDS AND FASAB HANDBOOK IMPROVEMENTS QUESTIONS

**QUESTION 3.1:** ~~Do-Would you prefer believe that the Board should consider a project to:~~

- ~~a) Codify<sup>51</sup> FASAB standards~~
- ~~b) Implement the FASAB Handbook in a process<sup>52</sup> and manner similar to IPSASB~~
- ~~c) Continue the FASAB Handbook with improvements? Why or why not?~~

Choose an item.

Please explain your response, including specific reasons and examples to support your rationale. [Click or tap here to enter text.](#)

**Question 3.2:** ~~Do you believe that the Board should consider a project to provide the FASAB Handbook in a process and manner similar to IPSASB?~~<sup>53</sup>

<sup>51</sup> Codification is an abstract term and may be considered differently by individuals. The Oxford definition provides that it means "the action or process of arranging laws or rules according to a system or plan." Hence, most accountants refer to a codification of accounting standards by topics.

<sup>52</sup> ~~While not a codification, implementing a process similar to IPSASB's Handbook process (when an existing standard is amended, they amend or replace the old standards, thereby reducing the opportunity to have more than one standard on the same topic) would have advantages because it assists users by putting related guidance in the same place and replacing amending standards.~~

<sup>53</sup> ~~While not a codification, implementing a process similar to IPSASB's Handbook process (when an existing standard is amended, they amend or replace the old standards, thereby reducing the opportunity to have more than one standard on the same topic) would have advantages because it assists users by putting related guidance in the same place and replacing amending standards.~~



~~Please explain your response, including specific reasons and examples to support your rationale.~~

~~Question 3.3: IF RESPONDENT ANSWERED STRONGLY AGREES OR AGREES to Q1 or Q2, please answer the following: **Do you agree codification should be ranked as a lower priority than current and potential projects**<sup>54</sup>?~~

~~Please explain your response, including specific reasons and examples to support your rationale.~~

**Question 3.4:** Regarding your experiences working with the FASAB Handbook, please consider a wide array of experiences—such as researching technical matters, finding relevant material within the Handbook, and responding to exposure drafts. How useful and useable is the FASAB Handbook in the current format?

Choose an item.

Please explain your response, including specific reasons and examples to support your rationale. [Click or tap here to enter text.](#)

**Question 3.53:** ~~Are there~~ What improvements ~~to would make~~ FASAB's Current Handbook that you believe would make it more useful? For example, are there search features, capabilities or functions that would improve the FASAB Handbook? Also consider if improvements (e.g., enhanced and consistent updates of the topical index and inclusion on the FASAB website) to Appendix A, Topical Index<sup>55</sup> of the FASAB Handbook, would be a significant benefit to users? (Please consider the benefits or challenges you have found in working in the Handbook now along with other electronic resources and other standard setters' online services.)

~~Question 3.6: If yes to Q5, then answer: **What improvements to the FASAB Handbook would make it more useful?** [Click or tap here to enter text.](#)~~

<sup>54</sup> For a listing of current and potential projects, please see the most annual report at <https://fasab.gov/about-fasab/our-annual-reports/>

<sup>55</sup> **Appendix A: Topical Index** (see <http://fasab.gov/documentby-chapter/> and click on **Appendix A: Topical Index (PDF)**)



~~3.6a. For example, are there search features, capabilities or functions that would improve the FASAB Handbook? (Please consider the benefits or challenges you have found in working in the Handbook now along with other electronic resources and other standard controllers' online services.)~~

~~Please explain your response, including specific reasons and examples to support your rationale. If you answered yes, please be as specific as possible regarding the search features, capabilities or functions that would improve the FASAB Handbook.~~

~~Question 3.6b. Do you agree that improvements (e.g., enhanced and consistent updates of the topical index and inclusion on the FASAB website) to Appendix A, Topical Index<sup>56</sup> of the FASAB Handbook, would be a significant benefit to users?~~

~~Please explain your response, including specific reasons and examples to support your rationale.~~

~~3.6c4. The Board recognizes a longstanding issue pertains to how the FASAB Handbook is updated to reflect amendments, especially those with delayed implementation. Have you experienced issues with understanding the current applicable GAAP due to FASAB's process for updating the Handbook for pronouncements with delayed implementation?~~

~~Choose an item.~~

~~Please explain your response, including specific reasons and examples to support your rationale. The Board is also interested in feedback on ways to improve the process to reflect amendments, especially those with delayed implementation. Please provide input or recommendations on ways to improve this. Click or tap here to enter text.~~

~~Question 3.75. Based on the current format and layout, are there areas of the FASAB Handbook that cause confusion when considering or applying the GAAP Hierarchy?~~

<sup>56</sup> ~~Appendix A: Topical Index (see <http://fasab.gov/documentby-chapter/> and click on Appendix A: Topical Index (PDF)~~

Choose an item.

Please explain your response, including specific reasons and examples to support your rationale. [Click or tap here to enter text.](#)

~~Question 3.8. The Board appreciates all comments regarding the Handbook and how it impacts your work. The Board also encourages all recommendations for improvements to the FASAB Handbook to make it more useful and useable until the Board makes a determination on codification.~~

~~Please explain your response, including specific reasons, including features that are most important, and examples to support your rationale.~~

## APPENDIX A: MATRIX OF INDIVIDUAL SFFAS

The below matrix depicts the 60 SFFAS issued by FASAB chronologically. The Board has promulgated 16 amending standards, 8 rescinded standards, 6 deferrals, and 2 omnibus—resulting in 27 ‘topic’ standards when addressed chronologically.

### Legend:

**RESCINDED**-SFFAS will not be considered in the Reexamination

**DEFERRAL**- SFFAS will not be considered since the deferral resolved with time

**AMENDMENT or OMNIBUS**- SFFAS is not considered a “new SFFAS topic” and is considered with the appropriate main (amended) SFFAS topic. See Notes column for SFFAS topic aggregation and amended main topic also lists other SFFASs.

**CFR-SFFAS** specific to the CFR (SFFAS 24 & SFFAS 32) grouped together

**SFFAS 15 is EXCLUDED FROM REEXAMINATION** because the SFFAS is currently being reviewed under an active Board project

**Though SFFAS 54 & 59 ARE EXCLUDED FROM REEXAMINATION** because the SFFASs are NOT yet effective.

**SFFAS 56 IS EXCLUDED FROM REEXAMINATION** due to the topic were amendments to other SFFAS, they are being considered as separate topics due to the significance of the changes.

SFFAS Topic #	SFFAS #	Statement of Federal Financial Accounting Standards (SFFASs) with links to full pronouncement	Notes- shows link for amending SFFAS
1	1	<b>SFFAS 1, Accounting for Selected Assets and Liabilities</b>	
2	2	<b>SFFAS 2, Accounting for Direct Loans and Loan Guarantees</b> <b>AS AMENDED BY: SFFAS 18, SFFAS 19</b>	
3	3	<b>SFFAS 3, Accounting for Inventory and Related Property</b> <b>AS AMENDED BY: SFFAS 48</b>	
4	4	<b>SFFAS 4, Managerial Cost Accounting Standards and Concepts</b> <b>AS AMENDED BY: SFFAS 55</b>	
5	5	<b>SFFAS 5, Accounting for Liabilities of The Federal Government</b> <b>AS AMENDED BY: SFFAS 12, SFFAS 25</b>	
6	6	<b>SFFAS 6, Accounting for Property, Plant, and Equipment</b>  <b>AS AMENDED BY: SFFAS 23, SFFAS 40, SFFAS 50</b>	
7	7	<b>SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</b>  <b>AS AMENDED BY: SFFAS 20, SFFAS 21, SFFAS 53</b>	
	8	<b>SFFAS 8, Supplementary Stewardship Reporting</b>	

	9	<b>SFFAS 9, Deferral of the Effective Date of Managerial Cost Accounting Standards for the Federal Government in SFFAS No. 4</b>	
8	10	<b>SFFAS 10, Accounting for Internal Use Software</b>	
	11	<b>SFFAS 11, Amendments to Accounting for Property, Plant, and Equipment – Definitional Changes – Amending SFFAS 6 and SFFAS 8 Accounting for Property, Plant, and Equipment and Supplementary Stewardship Reporting</b>	
	12	<b>SFFAS 12, Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government</b>	Considered under Topic #5 <b>SFFAS 5</b>
	13	<b>SFFAS 13, Deferral of Paragraph 65.2—Material Revenue-Related Transactions Disclosures</b>	
	14	<b>SFFAS 14, Amendments to Deferred Maintenance Reporting Amending SFFAS 6, Accounting for Property, Plant and Equipment and SFFAS 8, Supplementary Stewardship Reporting</b>	
9	15	<b>SFFAS 15, Management's Discussions and Analysis</b>	
	16	<b>SFFAS 16, Amendments to Accounting For Property, Plant, and Equipment—Measurement and Reporting for Multi-Use Heritage Assets: Amending SFFAS 6 and SFFAS 8 Accounting for Property, Plant, and Equipment and Supplementary Stewardship Reporting</b>	
10	17	<b>SFFAS 17, Accounting for Social Insurance</b> <b>AS AMENDED BY: SFFAS 26, SFFAS 37</b>	
	18	<b>SFFAS 18, Amendments to Accounting Standards For Direct Loans and Loan Guarantees in SFFAS No. 2</b>	Considered under Topic #2 <b>SFFAS 2</b>
	19	<b>SFFAS 19, Technical Amendments to Accounting Standards For Direct Loans and Loan Guarantees in SFFAS 2</b>	Considered under Topic #2 <b>SFFAS 2</b>
	20	<b>SFFAS 20, Elimination of Certain Disclosures Related to Tax Revenue Transactions by the Internal Revenue Service, Customs, and Others, Amending SFFAS 7, Accounting for Revenue and Other Financing Sources</b>	Considered under Topic #7 <b>SFFAS 7</b>
	21	<b>SFFAS 21, Reporting Corrections of Errors and Changes in Accounting Principles, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources</b>	Considered under Topic #7 <b>SFFAS 7</b>
	22	<b>SFFAS 22, Change in Certain Requirements for Reconciling Obligations and Net Cost of Operations, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources</b>	
	23	<b>SFFAS 23, Eliminating the Category National Defense Property, Plant, and Equipment</b>	Considered under Topic #6 <b>SFFAS 6</b>

11	24	<b>SFFAS 24, Selected Standards for the Consolidated Financial Report of the United States Government</b>	CFR- Considered with <b>SFFAS 32</b> , both under topic #11
	25	<b>SFFAS 25, Reclassification of Stewardship Responsibilities and Eliminating the Current Services Assessment</b>	Considered under Topic #5 <b>SFFAS 5</b>
	26	<b>SFFAS 26, Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25</b>	Considered under Topic #10 <b>SFFAS 17</b>
12	27	<b>SFFAS 27, Identifying and Reporting Funds from Dedicated Collections</b> <b>AS AMENDED BY: SFFAS 43</b>	
	28	<b>SFFAS 28, Deferral of the Effective Date of Reclassification of the Statement of Social Insurance: Amending SFFAS 25 and 26</b>	
13	29	<b>SFFAS 29, Heritage Assets and Stewardship Land</b>	
	30	<b>SFFAS 30, Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts</b>	
14	31	<b>SFFAS 31, Accounting for Fiduciary Activities</b>	
	32	<b>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"</b>	CFR- Considered with <b>SFFAS 24</b> , both under topic #11
15	33	<b>SFFAS 33, Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</b>	
16	34	<b>SFFAS 34, The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</b>	
	35	<b>SFFAS 35, Estimating the Historical Cost of General Property, Plant, and Equipment: Amending Statements of Federal Financial Accounting Standards 6 and 23</b>	
17	36	<b>SFFAS 36, Comprehensive Long-Term Projections for the U.S. Government</b>	
	37	<b>SFFAS 37, Social Insurance: Additional Requirements for Management's Discussion and Analysis and Basic Financial Statements</b>	Considered under Topic #10 <b>SFFAS 17</b>
18	38	<b>SFFAS 38, Accounting for Federal Oil and Gas Resources</b>	
19	39	<b>SFFAS 39, Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</b>	

	40	<b>SFFAS 40, Deferred Maintenance and Repairs: Definitional Changes</b>	Considered under Topic #6 <b>SFFAS 6</b>
	41	<b>SFFAS 41, Deferral of the Effective Date of SFFAS 38, Accounting for Federal Oil and Gas Resources</b>	
	42	<b>SFFAS 42, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32</b>	Considered under Topic #6 <b>SFFAS 6</b>
	43	<b>SFFAS 43, Dedicated Collections: Amending SFFAS 27, Identifying and Reporting Earmarked Funds</b>	Considered under Topic #12 <b>SFFAS 27</b>
20	44	<b>SFFAS 44, Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</b>	
	45	<b>SFFAS 45, Deferral of the Transition to Basic Information for Long-Term Projections</b>	
	46	<b>SFFAS 46, Deferral of the Transition to Basic Information for Long-Term Projections – Amending SFFASs 36 and 45</b>	
21	47	<b>SFFAS 47, Reporting Entity</b>	
	48	<b>SFFAS 48, Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials</b>	Considered under Topic #3 <b>SFFAS 3</b>
22	49	<b>SFFAS 49, Public-Private Partnerships: Disclosure Requirements</b>	
	50	<b>SFFAS 50, Establishing Opening Balances for General Property, Plant, and Equipment: Amending Statement of Federal Financial Accounting Standards (SFFAS) 6, SFFAS 10, SFFAS 23, and Rescinding SFFAS 35</b>	Considered under Topic #6 <b>SFFAS 6</b>
23	51	<b>SFFAS 51, Insurance Programs</b>	
24	52	<b>SFFAS 52, Tax Expenditures</b>	
	53	<b>SFFAS 53, Budget and Accrual Reconciliation</b>	Considered under Topic #7 <b>SFFAS 7</b>
25 <sup>25</sup>	54	<b>SFFAS 54, Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment</b> AS AMENDED BY: <b>SFFAS 60, SFFAS 57</b>	
	55	<b>SFFAS 55, Amending Inter-entity Cost Provisions</b>	Considered under Topic #4 <b>SFFAS 4</b>
26	56	<b>SFFAS 56, Classified Activities</b>	
	57	<b>SFFAS 57, Omnibus Amendments 2019</b>	Considered under Topic #25 <b>SFFAS 54</b>
	58	<b>SFFAS 58, Deferral of the Effective Date of SFFAS 54, Leases</b>	
27 <sup>27</sup>	59	<b>SFFAS 59, Accounting and Reporting of Government Land</b>	

	60	<b>SFFAS 60, Omnibus Amendments 2021: Leases-Related Topics</b>	Considered under Topic #25 <b>SFFAS 54</b>
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## APPENDIX B: FASAB'S EZ-FAS

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# FASAB's EZ-FAS

FASAB Handbook, Version 20 (06/21)

## General Principles/Presentation

- OL SFFAC 1 Financial Reporting Objectives
- OL SFFAC 2 Entity and Display
- OL SFFAC 5 Definitions of Elements and Basic Recognition Criteria
- OL SFFAC 6 Distinguishing Basic, RSL, and Other Information
- OL SFFAC 7 Measurement After Initial Recording
- A SFFAS 34 The GAAP Hierarchy Including FASB
- B TB 2000-1 Purpose and Scope of TBs and Procedures
- A SFFAS 39 Subsequent Events
- A SFFAS 47 Reporting Entity
- B TB 2003-1 QIA Related to the Homeland Security Act of 2002
- OL SFFAC 8 Federal Financial Reporting
- OL SFFAC 9 Materiality

## Management's Discussion and Analysis

- OL SFFAC 3 Management's Discussion and Analysis
- A SFFAS 15 Management's Discussions and Analysis

## Consolidated Financial Report

- OL SFFAC 4 Intended Audience & Qualitative Characteristics
- A SFFAS 24 Selected Standards for the CFR
- A SFFAS 32 CFR Implementing SFFAC 4
- A SFFAS 52 Tax Expenditures

## Cost Accounting

- A SFFAS 4 Managerial Cost Accounting Standards and Concepts
- A SFFAS 9 Deferral of the Effective Date of SFFAS No. 4
- A SFFAS 55 Amending Inter-Entity Cost Provisions

## Legend

- OL = Other Literature
- A = Level A GAAP
- B = Level B GAAP
- C = Level C GAAP
- D = Level D GAAP

## Assets & Liabilities

- A SFFAS 1 Selected Assets and Liabilities
- b TB 2017-2 Assigning Assets to Component Reporting Entities
- C TR 12 Accrual Estimates for Grant Programs
- A SFFAS 3 Inventory and Related Property
- A INT 7 Items Held for Remanufacture
- C TR 4 Reporting on Non-Valued Seized and Forfeited Property
- A SFFAS 5 Liabilities of the Federal Government
- A INT 9 Cleanup Cost Liabilities Involving Multiple Component Reporting Entities
- B TB 2006-1 Recognition and Measurement of Asbestos-Related Cleanup Costs
- B TB 2009-1 Deferral of the Effective Date of Technical Bulletin 2006-1
- B TB 2011-2 Extended Deferral of TB 2006-1
- B TB 2017-1 Intragovernmental Exchange Transactions
- C TR 2 Determining Probable and Reasonably Estimable for Environmental Liabilities
- C TR 10 Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment
- C TR 11 Guidance on Cleanup Costs Associated with Equipment
- A SFFAS 12 Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5
- A INT 2 Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5
- B TB 2002-1 Assigning to Component Entities
- C TR 1 Audit Legal Representation Letter Guidance
- A SFFAS 38 Oil and Gas Resources
- B TB 2011-1 Natural Resources Other than Oil and Gas
- A SFFAS 41 Deferral of the Effective Date of SFFAS 38
- A SFFAS 48 Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials
- A INT 10 Clarification of Non-Federal Non-Entity FBWT Classification

## Property, Plant and Equipment

- A SFFAS 6 Property, Plant, and Equipment
- A INT 9 Cleanup Cost Liabilities Involving Multiple Component Reporting Entities
- B TB 2017-2 Assigning Assets to Component Reporting Entities
- C TR 7 Clarification of Standards Relating to NASA's Space Exploration Equipment
- C TR 13 Implementation Guide for Estimating the Historical Cost of G-PP&E
- C TR 14 Implementation Guidance on the Accounting for the Disposal of G-PP&E
- C TR 15 Implementation Guidance For G-PP&E Cost Accumulation, Assignment and Allocation
- D SIG 6.1 Clarification of Paragraphs 40-41 of SFFAS 6
- A SFFAS 10 Internal Use Software
- C TR 16 Implementation Guidance for Internal Use Software
- A SFFAS 23 Eliminating the Category National Defense Property, Plant, and Equipment
- D SIG 23.1 Guidance for Implementation of SFFAS 23
- A SFFAS 40 Deferred Maintenance and Repairs: Definitional Changes
- A SFFAS 42 Deferred Maintenance and Repairs: Amending SFFAS 6, 14, 25, and 32
- A SFFAS 44 Impairment of General Property, Plant, and Equipment Remaining in Use
- A SFFAS 50 Establishing Opening Balances for General Property, Plant, and Equipment
- C TR 17 Conforming Amendments to Technical Releases for SFFAS 50
- C TR 18 Implementation Guidance for Establishing Opening Balances
- A SFFAS 54 Leases
- A SFFAS 58 Deferral of the Effective Date of SFFAS 54, Leases
- C TR 20 Implementation Guidance for Leases
- A SFFAS 59 Accounting and Reporting of Government Land
- A SFFAS 60 Omnibus Amendments 2021: Leases-Related Topics



## FASAB's EZ-FAS

FASAB Handbook, Version 20 (06/21)

### Revenue

- A SFFAS 7 Revenue & OFS and Concepts for Reconciling Budgetary and Financial Accounting
- A INT 11 Debt Cancellation: SFFAS 7
- A INT 1 Reporting Indian Trust Funds
- A SFFAS 13 Deferral of Paragraph 65.2—Material Revenue-Related Transactions Disclosures
- A INT 5 Recognition by Recipient Entities of Receivable Nonexchange Revenue
- B TB 2002-2 Disclosures Required by Paragraph 79(g) of SFFAS 7
- B TB 2017-1 Intragovernmental Exchange Transactions
- A SFFAS 20 Elimination of Certain Disclosures Related to Tax Revenue Transactions
- A SFFAS 21 Reporting Correction of Errors and Changes in Accounting Principles
- A SFFAS 27 Identifying and Reporting Funds from Dedicated Collections
- A SFFAS 43 Dedicated Collections: Amending SFFAS 27
- B TB 2020-1 Loss Allowance for Intragovernmental Receivables

### Stewardship and Fiduciary Reporting

- A SFFAS 25 Reclassification of Stewardship Responsibilities and Eliminating the CSA
- A SFFAS 29 Heritage Assets and Stewardship Land
- C TR 9 Implementation Guide for SFFAS 29, Heritage Assets and Stewardship Land
- A SFFAS 31 Accounting for Fiduciary Activities
- D Sig 31.1 Guidance for Implementation of SFFAS 31

### Direct Loans & Guarantees

- A SFFAS 2 Direct Loans and Loan Guarantees
- C TR 3 Auditing Estimates for Direct Loan and Loan Guarantee Subsidies
- C TR 6 Preparing Estimates for Direct Loan and Loan Guarantee Subsidies
- A SFFAS 18 Amendments to Direct Loans and Loan Guarantees in SFFAS No. 2
- A SFFAS 19 Technical Amendments to Direct Loans and Loan Guarantees in SFFAS 2

### Social Insurance, Pensions & OPEB

- A SFFAS 17 Social Insurance
- A SFFAS 26 Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25
- A SFFAS 28 Deferral of the Effective Date of Reclassification of the Statement of Social Insurance: Amending SFFAS 25 and 26
- A SFFAS 33 Pensions, ORB, and OPEB: Gains/Losses from changes in assumptions, selecting discount rates & valuation dates
- A INT 4 Pension Payments in Excess of Pension Expense
- A SFFAS 37 Social Insurance: Additional Requirements for MD&A and Basic Financial Statements

### Legend

OL = Other Literature  
A = Level A GAAP  
B = Level B GAAP  
C = Level C GAAP  
D = Level D GAAP

### Long Term Fiscal Projections

- A SFFAS 36 Comprehensive Long-Term Projections for the U.S. Government
- A SFFAS 45 Deferral of the Transition to Basic Information for Long-Term Projections
- A SFFAS 46 Deferral of the Transition to Basic Information for Long-Term Projections

### Broad Transactional Areas

- A SFFAS 49 Public-Private Partnerships: Disclosure Requirements
- A SFFAS 51 Insurance Programs
- A SFFAS 53 Budget and Accrual Reconciliation
- A SFFAS 56 Classified Activities
- A INT 8 Interpretation of SFFAS 56
- A SFFAS 57 Omnibus Amendments 2019

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[www.fasab.gov](http://www.fasab.gov)

## APPENDIX C: ABBREVIATIONS

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FASAB	Federal Accounting Standards Advisory Board
GAAP	Generally Accepted Accounting Principles
GPFFR	General Purpose Federal Financial Report
OMB	Office of Management and Budget
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards

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**INVITATION TO COMMENT**  
TOPICS RELATED TO THE FASAB REEXAMINATION PROJECT

**Invitation to Comment**

Written comments are requested by **TBD**, 2023

**TBD**, 2023

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## THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB or "the Board") in October 1990. FASAB is responsible for promulgating accounting standards for the United States government. These standards are recognized as generally accepted accounting principles (GAAP) for the federal government.

Accounting standards are typically formulated initially as a proposal after considering the financial and budgetary information needs of citizens (including the news media, state and local legislators, analysts from private firms, academe, and elsewhere), Congress, federal executives, federal program managers, and other users of federal financial information. FASAB publishes the proposed standards in an exposure draft for public comment. In some cases, FASAB publishes a discussion memorandum, invitation for comment, or preliminary views document on a specific topic before an exposure draft. A public hearing is sometimes held to receive oral comments in addition to written comments. The Board considers comments and decides whether to adopt the proposed standards with or without modification. After review by the three officials who sponsor FASAB, the Board publishes adopted standards in a Statement of Federal Financial Accounting Standards. The Board follows a similar process for Statements of Federal Financial Accounting Concepts, which guide the Board in developing accounting standards and formulating the framework for federal accounting and reporting.

Additional background information and other items of interest are available at [www.fasab.gov](http://www.fasab.gov):

- [Memorandum of Understanding](#) among the Government Accountability Office, the Department of the Treasury, and the Office of Management and Budget, on Federal Government Accounting Standards and a Federal Accounting Standards Advisory Board
- [Mission statement](#)
- [Documents for comment](#)
- [Statements of Federal Financial Accounting Standards and Concepts](#)
- [FASAB newsletters](#)

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TBD, 2023

TO: ALL WHO USE, PREPARE, AND AUDIT FEDERAL FINANCIAL INFORMATION

The Federal Accounting Standards Advisory Board (FASAB or “the Board”) requests your comments on the Invitation to Comment, *Topics Related to the FASAB Reexamination Project*. Specific questions that are included in the Invitation to Comment are provided throughout the document and instructions for submitting your responses are on page 8, but you are welcome to comment on any aspect of the document. Your responses will be most helpful to the Board if you explain the reasons for your positions.

Responses are requested by TBD, 2023.

All comments received by FASAB are considered public information. Those comments will be posted to FASAB's website and will be included in the project's public record.

Please provide your comments by email to [fasab@fasab.gov](mailto:fasab@fasab.gov). We will confirm receipt of your comments. If you do not get a confirmation, please contact our office at 202-512-7350 to determine if your comments were received. If you are unable to email your responses, please call (202) 512-7350 to make alternate arrangements.

FASAB's rules of procedure provide that the Board may hold one or more public hearings on the document. No hearing has yet been scheduled for this document.

FASAB will publish notice of the date and location of any public hearing on this document in the Federal Register and in its newsletter.

Sincerely,

George A. Scott

Chair

## INVITATION TO COMMENT Q & A

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### WHAT IS AN INVITATION TO COMMENT?

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The Board may develop an invitation to comment (ITC) to request feedback on alternatives or proposals. The Board may present an ITC in a wide variety of forms. ITCs present issues that the Board could address in the future and seeks alternative solutions to issues under consideration. The Board will only issue ITCs after at least a majority of members vote to approve the publication.

Though the Board has used ITCs only sparingly in the past, an ITC provides an opportunity for stakeholders<sup>1</sup> to provide information and data on topics requested by the Board that may influence the direction of the Board's deliberations.

The ITC is an excellent tool to invite the public to comment on topics related to the reexamination of existing standards project.<sup>2</sup> It is important for stakeholders to provide their feedback on these topics by answering the questions posed in this ITC and providing detailed explanations for each response.

### WHAT IS THE PURPOSE OF THIS INVITATION TO COMMENT AND HOW WILL THE INFORMATION BE USED?

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The purpose of this ITC is to request information regarding topics related to the reexamination project. The objective of the reexamination project is to reexamine FASAB's existing standards to assess their current relevance and to identify opportunities to streamline authoritative guidance. Given the potential extent of a reexamination project and significant use of staff resources, the reexamination of existing standards will be a huge undertaking.

The Board believes that seeking broad stakeholder feedback and input from the public is an essential step. The Board invites feedback on all matters in this ITC. The Board will thoughtfully review and analyze the public's response to the ITC and determine whether additional outreach may be necessary, including determining if a public hearing, use of round tables, or a task force would be efficient in assessment of comments and development of planned approaches. As such, no particular pronouncement will result from the information presented in ITC. Instead, the information provided through the ITC (and additional outreach and analytical procedures that follow) will assist the Board in prioritizing issues and developing an approach to the reexamination project.

The Board believes it prudent to ensure stakeholders understand the importance of responding to the ITC. It is an opportunity for stakeholders to provide comments on all<sup>3</sup> the existing SFFASs

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<sup>1</sup> Stakeholders is used broadly in this document to include stakeholders, users, and the financial management community.

<sup>2</sup> See the Reexamination of Existing Standards project page at <https://fasab.gov/projects/active-projects/reexamination-existing-standards/> for additional details.

<sup>3</sup> Certain SFFASs may be excluded from the reexamination project due to specific reasons (such as SFFAS not yet effective) please see [Appendix A-Matrix of Individual SFFAS](#) for more details.

for the Board's consideration. It is critical that respondents support their answers with rationale and detailed information, including specific paragraph SFFASs references where appropriate that will enable the Board to have a full understanding of issues and concerns. While this may seem typical when responding to FASAB questions, it bears even greater importance because the information provided will help the Board prioritize topics and determine an approach for the reexamination project.

## WHAT IS PRESENTED IN THE INVITATION TO COMMENT?

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This ITC invites stakeholder input on proposed approaches and topics related to the Reexamination project. The ITC is organized in the following **three** broad sections:

### I. FASAB GAAP Hierarchy

**SFFAS 34**, *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board* incorporates the hierarchy of generally accepted accounting principles (GAAP) into FASAB's authoritative literature. Given the importance, the Board determined it should consider feedback on the effectiveness of the GAAP hierarchy, as set forth in SFFAS 34.

Input from stakeholders regarding the GAAP hierarchy is needed to inform the Board if the current four-level federal GAAP hierarchy is effective in its current form.

### II. Reexamination of FASAB Standards

Standard setters should reexamine the accounting standards to ensure standards are effective in providing financial information that supports public accountability and meets user needs. By doing so, it allows the opportunity to assess their current applicability and to eliminate or revise unnecessary requirements while ensuring federal financial reporting objectives are met. During the reexamination, the Board will focus on issues related to (1) the usefulness of disclosures and other required information, (2) inconsistencies with current practice, and (3) the need for clarifications (including difficulties applying requirements.)

Obtaining feedback on the reexamination project will provide insights to the Board as to the public's views on these matters, related topics and the overall reexamination project. Further, comments and information on which standards or topics are most in need of reexamination will assist the Board in prioritizing issues as it deliberates how best to approach its review of standards.

### III. Codification of FASAB Standards and/or Handbook Improvements

FASAB currently incorporates pronouncements into a handbook of all FASAB pronouncements as of June 30 each year, i.e., *The FASAB Handbook of Accounting Standards and Other Pronouncements, As Amended* (FASAB Handbook.) Given the vast amount of guidance issued since FASAB's inception, the Board has also considered improvements to the FASAB Handbook or developing a codification of FASAB pronouncements as a long-term goal for several years. Accordingly, it would seem logical to consider alternatives for providing standards to the community along with revisiting pronouncements for reexamination.



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## QUESTIONS FOR RESPONDENTS

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The Federal Accounting Standards Advisory Board (FASAB or “the Board”) encourages you to become familiar with the information provided in the Invitation to Comment before responding to the questions in the link provided below.

Individuals and organizations are invited to comment on all matters in this ITC, particularly on the issues and questions that are specifically asked in this document. All questions are included in a fillable Microsoft Word file. Respondents should use this form because it provides appropriate drop-down menus for answer selections.

While it would be helpful to receive feedback from respondents on all the questions in this ITC, the Board welcomes comments from those who are only interested in a specific topic or topics described in this ITC. Responses are most helpful if they are as specific as possible, identify and clearly explain the topic or question to which they relate, and provide as much detail, including references to specific sections or paragraphs within SFFASs, and relevant context specific to federal financial accounting and reporting issues.

The Board believes the information obtained from respondents regarding the topics related to the Reexamination project is very important. The information provided through the ITC (and additional outreach and procedures that follow) will assist the Board in making decisions, such as prioritizing issues and developing an approach to the Reexamination project. As a result, information obtained would assist the Board in furthering this project that would improve federal financial reporting and contribute to federal financial reporting objectives.

Respondents should use the Microsoft Word file available at <https://www.fasab.gov/documents-for-comment/>. Additional information may be attached. Please send your responses to [fasab@fasab.gov](mailto:fasab@fasab.gov). If you are unable to respond by email, please contact 202-512-7350.

All responses are requested by **TBD**, 2023.

## INVITATION TO COMMENT

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### I. FASAB GAAP Hierarchy

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1. [SFFAS 34](#), *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board* incorporates the hierarchy of GAAP into FASAB's authoritative literature. Statement of Federal Financial Accounting Standards (SFFAS) 34, paragraph 5 states:

The hierarchy of generally accepted accounting principles, hereafter referred to as the GAAP hierarchy, governs what constitutes GAAP for federal reporting entities. It lists the priority sequence of pronouncements that a federal reporting entity should look to for accounting and financial reporting authoritative guidance. The sources of accounting principles that are generally accepted are categorized in descending order of authority as follows:

**Level A.** Officially established accounting principles consist of FASAB Statements of Federal Financial Accounting Standards (Standards) and Interpretations. FASAB Standards and Interpretations will be periodically incorporated in a publication by the FASAB.

**Level B.** FASAB Technical Bulletins and, if specifically made applicable to federal reporting entities by the AICPA and cleared by the FASAB, AICPA Industry Audit and Accounting Guides.

**Level C.** Technical Releases of the Accounting and Auditing Policy Committee of the FASAB.

**Level D.** Implementation guides published by the FASAB staff, as well as practices that are widely recognized and prevalent in the federal government.

2. SFFAS 34 generally carried forward the hierarchy as set forth in Statement of Auditing Standards (SAS) 91, *Federal GAAP Hierarchy*. At that time, the Board recognized that users would be familiar with this approach, and it would not significantly affect practices.
3. A goal of standard setters is to ensure the standards are user-friendly and effective. Several years ago, both FASB and GASB revisited their hierarchies and addressed the use of "authoritative" and "nonauthoritative" literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. For example, GASB updated its GAAP hierarchy in GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*:

This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature<sup>4</sup> in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

4. The Board understands and echoes the importance of consistency, especially when it comes to improving the understanding and application of accounting standards. As noted, SFFAS 34 generally carried forward the hierarchy as set forth in SAS 91, *Federal GAAP Hierarchy*. The Board believes it important to review the hierarchy levels to assess whether the standard-setting process and the federal financial reporting environment have significantly evolved since the establishment of the original hierarchy to warrant reconsideration or reconfiguration of certain aspects of the structure.
5. Accordingly, the Board is interested in stakeholder feedback regarding experiences and whether stakeholders believe the GAAP hierarchy is effective. It is important that GAAP hierarchies generally distinguish between categories of authority based on the rigor of due process and the standard setting body's intended purpose of the guidance. Also, consistency in application is desired because less variation would generally improve the consistency and thereby increase the usefulness of financial statement information. Obtaining input from stakeholders regarding the GAAP hierarchy and its application is needed to inform the Board on the extent to which the current federal GAAP hierarchy is working as intended and effective.
6. For example, the Board is interested in whether it would be useful to clarify where administrative directives (e.g. OMB, and Department of the Treasury guidance) would be considered in the hierarchy. Also, the Board is interested in whether "practices that are widely recognized and prevalent in the federal government" is sufficiently clear. Both FASB

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<sup>4</sup> Sources of nonauthoritative accounting literature include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board, Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

and GASB include “practices that are widely recognized and prevalent” in their discussion of non-authoritative literature, but do not define it further.<sup>5</sup>

7. Therefore, the Board believes asking stakeholders to provide specific details and practice examples would assist the Board in determining if the federal GAAP hierarchy is effective. The Board is also interested in learning if stakeholders have an adequate understanding of and can properly apply the federal GAAP hierarchy.<sup>6</sup>

## FASAB GAAP HIERARCHY QUESTIONS

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

**Choose an item.**

**Please explain your response. Click or tap here to enter text.**

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

**Choose an item.**

**Please explain your response,** including any perceived challenges with applying SFFAS 34 (e.g., utility in applying SFFAS 34 to resolving accounting and reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship to other standard-setters, inconsistencies with different levels of GAAP, questions regarding the application of “practices that are widely recognized and prevalent in the federal government.”) **Click or tap here to enter text.**

**QUESTION 1.3:** Do you believe training would assist in your understanding and application of the federal GAAP hierarchy in SFFAS 34?

**Choose an item.**

**Please explain your response,** including specific details and examples to support your rationale. **Click or tap here to enter text.**

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<sup>5</sup> At the time SFFAS 34 was issued, the Board considered some respondents’ beliefs that it would be useful to discuss the location of administrative directives within the hierarchy. As explained in the Basis for Conclusions, there were multiple sources of administrative directives, many types of directives, and varying processes for developing directives. Further, the Board believed that resolving placement for all administrative directives may require significant study. As a result, the Board adopted the GAAP hierarchy as it then existed in the AICPA audit literature and did not intend to change then current practices.

<sup>6</sup> FASAB staff offers training on the federal GAAP hierarchy.

## II. Reexamination of FASAB Standards

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8. FASAB has issued 60 Statements<sup>7</sup> since 1993, this includes sixteen amending standards, at least eight rescinded standards, six deferrals, and two omnibus standards. Accordingly, this results in approximately 27 standards that addressed ‘new topics.’ Additionally, there are eight concepts statements, 11 Interpretations, and other lower-level pronouncements. Given the vast amount of guidance issued since FASAB’s inception, the Board believes there will be great value to assess the full set of standards in its entirety.
9. Standard setters should periodically reexamine accounting standards to ensure standards are effective in providing financial information that supports public accountability and meets user needs. By doing so, it allows the opportunity to assess their current applicability and to eliminate or revise unnecessary requirements while ensuring federal financial reporting objectives are met. For example, the GASB<sup>8</sup> generally reexamines its existing standards statement by statement, as opposed to on a broad topic basis. Although FASAB has evaluated portions of existing standards and provided technical clarifications on certain matters<sup>9</sup>, this would be the first reexamination of the entire set of federal GAAP. Accordingly, obtaining feedback from stakeholders regarding which standards or topics are most in need of reexamination will assist the Board in determining how best to review 30 years’ worth of standards.
10. Reexamination of existing standards will allow the Board to assess their current relevance and to identify opportunities to streamline authoritative guidance. During the reexamination, the Board will focus on issues related to (1) the usefulness of disclosures and other required information, (2) inconsistencies with current practice, and (3) the need for clarifications (including difficulties applying requirements). It is important to consider the competing demands in the federal financial management community. When appropriate, the Board will explore opportunities to reduce preparer burden by considering feedback on changes to existing standards and areas where clarification may be needed while being cognizant of the federal financial reporting objectives. Accordingly, cost/benefit considerations will be of primary importance in the reexamination of existing standards.
11. The Reexamination project would include all<sup>10</sup> Statement of Federal Financial Accounting Standards (SFFASs). The Board believes it is important that the project include Interpretations of Federal Financial Accounting Standards (Interpretations) and Technical Bulletins. Including these pronouncements will ensure the reexamination is thorough and consistent.

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<sup>7</sup> See [Appendix A-Matrix of Individual SFFAS](#) for more details.

<sup>8</sup> The GASB Post-Implementation Review (PIR) Process begins after the issuance of Statements and is an evaluation of whether standards are achieving their objectives. During the PIR process, the Board solicits and considers diverse stakeholder input. See <https://gasb.org/pir#section-1>.

<sup>9</sup> The Technical Clarifications of Existing Standards project (and archived project, Evaluation of Existing Standards) addresses requests to clarify portions of existing standards. See <https://fasab.gov/projects/archived-projects/evaluation-of-existing-standards/> and <https://fasab.gov/projects/active-projects/debt-cancellation/> for more information about the project.

<sup>10</sup> Certain SFFASs may be excluded from the reexamination project due to specific reasons (such as SFFAS not yet effective, SFFAS currently under Board review) please see [Appendix A-Matrix of Individual SFFAS](#) for more details.



12. Federal Financial Accounting Technical Releases (Technical Release) will not be included in the reexamination project because the FASAB's Rules of Procedure authorizes the Accounting and Auditing Policy Committee (AAPC) to issue technical releases<sup>11</sup> related to existing federal accounting standards. The Board anticipates the AAPC would begin a similar project to conform all TRs to efforts resulting from the reexamination project. Staff will review the Staff Implementation Guidance (SIG)<sup>12</sup> to ensure they conform to the changes.
13. In addition, Statement of Federal Financial Accounting Concepts (SFFAC) will not be included in the reexamination project because most SFFACs were considered when the Board completed its reporting model project.<sup>13</sup> Also, the Board notes that SFFAC are not GAAP. SFFAC guide the Board's development of accounting and reporting standards by providing the Board with a common foundation and basic reasoning on which to consider the merits of alternatives.
14. It may be helpful to consider the process and rationale by which new projects are added to the FASAB agenda. New projects are added to the active agenda based on periodic prioritization by the Board. The Board annually reviews its technical agenda in August just prior to the start of the federal government's fiscal year to determine priorities for the upcoming year. The Board also conducts a mid-year review of the technical agenda at the February meeting after receiving comments on FASAB's annual report and three-year plan.
15. With each annual review, the Board identifies its priorities so that research can begin when resources are available. Projects identified as priorities but not as active agenda topics are considered "research projects." In August of each year, the Board discusses those priorities and makes needed adjustments to the technical agenda<sup>14</sup>. The Board prioritizes projects based on the following factors:
- The likelihood a potential project will significantly contribute to meeting the Operating Performance and Stewardship reporting objectives<sup>15</sup> established in SFFAC 1, *Objectives of Federal Financial Reporting*
  - The significance of the issue relative to meeting reporting objectives
  - The pervasiveness of the issue among federal entities
  - The potential project's technical outlook and resource needs
16. Members also consider the following additional factors that they deem significant in planning the technical agenda:

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<sup>11</sup> Proposed technical releases are submitted to FASAB for a 45-day review. If neither a majority of FASAB nor a member representing a FASAB sponsor objects to the proposed technical release during the review period, then it shall become final.

<sup>12</sup> As of March 2023, there are two SIGs.

<sup>13</sup> See archived project page <https://fasab.gov/projects/archived-projects/concepts-the-financial-report/>.

<sup>14</sup> The Reexamination of Existing Standards project was initially added as a Research Topic and then approved to an active project in August 2021.

<sup>15</sup> The Board determined that the Operating Performance and Stewardship reporting objectives would be 'primary near term objectives' when the Board revisited the concepts given the changes in the federal financial reporting environment. See report FASAB's Strategic Directions: *Clarifying FASAB's Near-Term Role in Achieving the Objectives of Federal Financial Reporting* at <https://fasab.gov/about-fasab/governance-documents/strategic-directions>

- A focus on citizens and citizen intermediaries as the primary users of the consolidated financial report of the U.S. Government
  - Attention to the needs of Congress and program managers
  - Effects on preparers and auditors due to declining real budgets
  - Increasing risks due to fiscal uncertainty and operational complexity
  - Increased electronic reporting and availability of relevant information in sources other than financial reporting
17. The Board believes the above process and factors considered in prioritizing projects are important for stakeholders to understand as they respond to the ITC.
18. The reexamination of existing standards will be a huge undertaking. Stakeholders should be mindful of the importance of responding to the ITC. It is an opportunity for stakeholders to provide comments on issues and concerns surrounding all<sup>16</sup> of the existing SFFASs for the Board's consideration. As explained, it is critical that responses include rationale and detailed information, including specific SFFASs references where appropriate that will enable the Board to have a full understanding of issues and concerns.
19. Respondents may wish to provide information that would help the Board understand why the reexamination of a particular SFFAS might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit, perceived gaps or overlaps in standards, or other significant information to explain the need for reexamination of the SFFAS. It is important for respondents to be specific with their reasoning and provide as much detail because there are reporting entities of various sizes with different levels of materiality that may have different types of issues deemed critical that are put forth for the Board's consideration.
20. Questions for respondents will look at the entire set of standards in a couple of formats. The purpose of asking varying questions is to ensure that questions have been posed in a manner that will resonate with stakeholders so that all issues and concerns with the existing standards are identified for the Board's consideration.
21. For example, a question will ask respondents to identify areas requiring reexamination on a high-level or broad topic basis using FASAB's EZ-FAS<sup>17</sup> (see [Appendix B, FASAB's EZ-FAS.](#)) This question would be helpful for those who view issues on a broad topic basis. These categories may pertain to one or multiple FASAB standards or other guidance.<sup>18</sup>

<sup>16</sup> Certain SFFASs may be excluded from the reexamination project due to specific reasons (such as SFFAS not yet effective) please see [Appendix A-Matrix of Individual SFFAS](#) for more details.

<sup>17</sup> FASAB staff developed the EZ-FAS training aid that categorizes all guidance into 12 topical areas: General Principles and Presentation, Management's Discussion and Analysis, Consolidated Financial Report, Cost Accounting, Assets and Liabilities, Property, Plant and Equipment, Revenue, Stewardship and Fiduciary Reporting, Direct Loans & Guarantees, Social Insurance, Pensions & OPEB, Long Term Fiscal Projections, and Broad Transactions.

<sup>18</sup> Although the EZ-FAS summary shows all pronouncements under each topic area, the reexamination project will be limited to SFFASs, Interpretations, and TBs.



22. The Board will also ask respondents to identify issues by looking at the SFFASs one-by-one or chronologically. The Board recognizes there are considerations when advancing through the pronouncements sequentially. The Board considered the fact that certain pronouncements have been amended or rescinded by later pronouncements and grouped them accordingly. Although there have been 60 Statements issued by FASAB, there have been 27 'new topic' standards because certain SFFASs amended standards, rescinded standards, or deferred standards. Also, because of certain circumstances and factors<sup>19</sup>, the Board will exclude certain SFFASs from reexamination but respondents are welcome to provide feedback. Please see [Appendix A-Matrix of Individual SFFAS](#) for more details.
23. The responses and detail provided will assist the Board as it prioritizes issues and develops an appropriate approach to the reexamination. As appropriate, the Board may use a targeted approach in the reexamination. A targeted approach would address the critical areas in need of revision based on specific criteria. For example, the Board could address areas containing the most outdated guidance; areas with duplicate reporting and a desire to streamline reporting; areas with frequent technical inquiries; areas with a long history of audit issues, and/or with a connection to GAO's high risk list; areas precipitating significant preparer burden vs perceived value of the information; areas with lots of consolidation issues; and topics addressed by other standard-setters.

#### REEXAMINATION OF FASAB STANDARDS QUESTIONS

**QUESTION 2.1:** Below is a truncated version of [Appendix A-Matrix of Individual SFFAS](#) to assist with question 2.1, but respondents should review Appendix A<sup>20</sup> in its entirety for a full understanding.

**2.1a Which SFFAS 'topic' do you believe the Board should prioritize or give greater importance as part of the Reexamination project? For each SFFAS topic, please indicate the priority level for reexamine. Selection options:**

**(1) HIGH priority:** topic and related SFFASs are of significant concern and should be included in the reexamination with priority.

**(2) MEDIUM/LOW priority:** topic and related SFFASs should be included in the reexamination, but after HIGH priority topics are addressed.

**(3) NO priority –** topic and related SFFASs do not need to be reexamined.

**Please explain your response, including specific details and examples to support your rationale, especially those ranked HIGH Priority and Medium/Low Priority.** Provide information (including specific SFFASs 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 the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings,

<sup>19</sup> SFFASs that have not been implemented or SFFASs that pertain to a current Board project would be excluded from reexamination.

<sup>20</sup> [Appendix A-Matrix of Individual SFFAS](#) provides more details regarding how the 60 SFFASs result in 27 'new topic' standards (i.e., those SFFAS which do NOT amend, rescind, defer, or otherwise modify existing guidance.)

changes in applicability, cost-benefit considerations, perceived voids and/or gaps<sup>21</sup> in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS.

SFFAS Topic #	Statement of Federal Financial Accounting Standards (SFFASs) with links to full pronouncement	Answers will be drop down
1	<a href="#">SFFAS 1, Accounting for Selected Assets and Liabilities</a>	Choose an item. <b>Click or tap here to enter text.</b>
2	<a href="#">SFFAS 2, Accounting for Direct Loans and Loan Guarantees AS AMENDED BY: SFFAS 18, SFFAS 19</a>	Choose an item. <b>Click or tap here to enter text.</b>
3	<a href="#">SFFAS 3, Accounting for Inventory and Related Property AS AMENDED BY: SFFAS 48</a>	Choose an item. <b>Click or tap here to enter text.</b>
4	<a href="#">SFFAS 4, Managerial Cost Accounting Standards and Concepts AS AMENDED BY: SFFAS 55</a>	Choose an item. <b>Click or tap here to enter text.</b>
5	<a href="#">SFFAS 5, Accounting for Liabilities of The Federal Government AS AMENDED BY: SFFAS 12, SFFAS 25</a>	Choose an item. <b>Click or tap here to enter text.</b>
6	<a href="#">SFFAS 6, Accounting for Property, Plant, and Equipment AS AMENDED BY: SFFAS 23, SFFAS 40, SFFAS 50</a>	Choose an item. <b>Click or tap here to enter text.</b>

<sup>21</sup> The Board recognizes there is a process in place for obtaining input on the Board's agenda and new projects. This would relate to perceived voids and/or gaps in the existing GAAP standards that require clarification and respondents believe it should be addressed in the Reexamination project. The Board notes that often some areas may not be clear or sufficiently addressed in current GAAP or they may appear to be a void if the topic is not adequately addressed or sufficiently clear. If so, please list those topic(s), specifying your reasons why they should be included in the reexamination and the urgency of that need. Please provide the information and detail needed to clearly explain your reasons and the urgency. This information would be helpful to the Board in understanding why the topic might take precedence or be considered more important than another.

7	<b>SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting AS AMENDED BY: SFFAS 20, SFFAS 21, SFFAS 53</b>	Choose an item.  Click or tap here to enter text.
8	<b>SFFAS 10, Accounting for Internal Use Software</b>	Choose an item.  Click or tap here to enter text.
9 <sup>22</sup>	<b>SFFAS 15, Management's Discussions and Analysis</b>	Click or tap here to enter text.
10	<b>SFFAS 17, Accounting for Social Insurance AS AMENDED BY: SFFAS 26, SFFAS 37</b>	Choose an item.  Click or tap here to enter text.
11	<b>SFFAS 24, Selected Standards for the Consolidated Financial Report of the United States Government AND 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" both SFFAS 24 and SFFAS 32 considered to be CFR topic</b>	Choose an item.  Click or tap here to enter text.
12	<b>SFFAS 27, Identifying and Reporting Funds from Dedicated Collections AS AMENDED BY: SFFAS 43</b>	Choose an item.  Click or tap here to enter text.
13	<b>SFFAS 29, Heritage Assets and Stewardship Land</b>	Click or tap here to enter text.
14	<b>SFFAS 31, Accounting for Fiduciary Activities</b>	Click or tap here to enter text.
15	<b>SFFAS 33, Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</b>	Click or tap here to enter text.
16	<b>SFFAS 34, The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</b>	Click or tap here to enter text.

<sup>22</sup> SFFAS 15, *Management's Discussions and Analysis* is excluded from reexamination because the SFFAS is currently being reviewed under an active Board project.

17	<b>SFFAS 36, Comprehensive Long-Term Projections for the U.S. Government</b>	Click or tap here to enter text.
18	<b>SFFAS 38, Accounting for Federal Oil and Gas Resources</b>	Click or tap here to enter text.
19	<b>SFFAS 39, Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</b>	Click or tap here to enter text.
20	<b>SFFAS 44, Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</b>	Click or tap here to enter text.
21	<b>SFFAS 47, Reporting Entity</b>	Click or tap here to enter text.
22	<b>SFFAS 49, Public-Private Partnerships: Disclosure Requirements</b>	Click or tap here to enter text.
23	<b>SFFAS 51, Insurance Programs</b>	Click or tap here to enter text.
24	<b>SFFAS 52, Tax Expenditures</b>	Click or tap here to enter text.
25 <sup>23</sup>	<b>SFFAS 54, Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment AS AMENDED BY: SFFAS 60, SFFAS 57</b>	Click or tap here to enter text.
26 <sup>24</sup>	<b>SFFAS 56, Classified Activities</b>	Click or tap here to enter text.
27 <sup>25</sup>	<b>SFFAS 59, Accounting and Reporting of Government Land</b>	Click or tap here to enter text.

**2.1b What are your top five SFFAS ‘topics’ from the above list, in priority sequence that should be reviewed as part of the reexamination project?** (As you prioritize a list of the top five SFFAS ‘topics’ needing reexamination, please be sure to consider your above rankings (i.e., one would expect that those labeled (1) High Priority

<sup>23</sup> SFFAS 54, *Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment* is excluded from the reexamination project because the SFFAS is not yet effective.

<sup>24</sup> SFFAS 56, *Classified Activities* is excluded from the reexamination project due to the topic.

<sup>25</sup> SFFAS 59, *Accounting and Reporting of Government Land* is excluded from the reexamination project because the SFFAS is not yet effective.

would be ranked first, then any remaining would be filled by those labeled (2) Medium-Low priority.)

**#1. Choose an item.**

**#2. Choose an item.**

**#3. Choose an item.**

**#4. Choose an item.**

**#5. Choose an item.**

**Please explain your response, including specific details and examples to support your rationale.** Provide information (including specific SFFASs references where appropriate) that would help the Board in understanding why the reexamination of a particular SFFAS might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps<sup>26</sup> in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS. **Click or tap here to enter text.**

**QUESTION 2.2: What are your top three broad topic areas from FASAB's EZ-FAS topics<sup>27</sup> in priority sequence that should be reviewed as part of the reexamination project?**

**#1. Choose an item.**

**#2. Choose an item.**

**#3. Choose an item.**

**Please explain your response, including specific details and examples to support your rationale.** This information would be helpful to the Board in understanding why the reexamination of a particular broad topic area might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents

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<sup>26</sup> The Board recognizes there is a process in place for obtaining input on the Board's agenda and new projects. This would relate to perceived voids and/or gaps in the existing GAAP standards that require clarification and respondents believe it should be addressed in the Reexamination project. The Board notes that often some areas may not be clear or sufficiently addressed in current GAAP or they may appear to be a void if the topic is not adequately addressed or sufficiently clear. If so, please list those topic(s), specifying your reasons why they should be included in the reexamination and the urgency of that need. Please provide the information and detail needed to clearly explain your reasons and the urgency. This information would be helpful to the Board in understanding why the topic might take precedence or be considered more important than another.

<sup>27</sup> Please see paragraph 21 and [Appendix B-FASAB's EZ-FAS](#) for more details regarding the EZ-FAS topics and the SFFAS breakdown into these categories.

may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS. The Board may use this information for further deliberations regarding the reexamination approach. **Click or tap here to enter text.**

### III. Codification of FASAB Standards and FASAB Handbook Improvements

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24. FASAB currently incorporates all pronouncements into *The FASAB Handbook of Accounting Standards and Other Pronouncements (FASAB Handbook)* and updates it on an annual basis. The FASAB Handbook is the most up-to-date, authoritative source of GAAP developed for federal reporting entities. The annual Handbook update includes incorporating the new pronouncements and updating previously issued pronouncement for any amendments in the new standards. Each pronouncement is presented individually in the handbook by chapter, and those issuances not already included in the complete handbook will be incorporated into the next annual update.<sup>28</sup>
25. As of September 2022, the FASAB Handbook was comprised of 60 individual Standards and 11 Interpretations, 11 Technical Bulletins, 21 Technical Releases, 8 Concept Statements and 3 Staff Implementation Guidance as well as other non-authoritative guidance. These numbers demonstrate that the Board promulgated and addressed many issues in a piecemeal manner by amending, expanding, deferring, and even rescinding standards.
26. Standard setters face challenges in the delivery of up-to-date accessible accounting standards. Determining ways to improve the delivery of accounting standards makes sense as the Board would like to streamline and update as deemed necessary the 30-plus years of pronouncements to make the guidance more consistent and user-friendly for stakeholders and thereby enhancing usability. Accordingly, the Board will consider alternatives for providing standards to the community, such as codification, along with revisiting pronouncements for reexamination.
27. Although the Board has not made a firm decision, nor are the necessary resources<sup>29</sup> available to begin a codification project, the information gained from stakeholders through this ITC would assist in determining the needs of stakeholders. Further, the Board believes it important to plan and leverage work in these areas and consider a collaborative approach should be considered where appropriate.

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<sup>28</sup> For a brief history, please review the Archived FASAB Handbooks page at <https://fasab.gov/accounting-standards/archived-versions/> that provides links to all versions of the FASAB Handbook.

<sup>29</sup> The Board understands that this would be a huge undertaking and require a vast amount of staff and other resources. Further, the Board would have to review the entire codification for it to be authoritative.



28. Codification is an abstract term that individuals may interpret differently. Oxford defines codification as “the action or process of arranging laws or rules according to a system or plan.” Hence, most accountants refer to a codification of accounting standards by topics.
29. For example, FASB’s codification provides user access to all authoritative US GAAP for non-governmental entities in a topically based model. In the FASB codification, the Area represents the larger collection of guidance and the Topic, Subtopic and Section represent the more granular and detailed level of guidance within the Area. GASB also employed a topical based model for codification, but uses a different structure and organization. GASB has two GAAP hierarchy levels; (1) statements and (2) technical bulletins, implementation guides, and literature of the AICPA cleared by the GASB. Guidance in both levels are codified. The FASB codification discussed above includes all authoritative literature organized by a fixed or rigid structure, whereas GASB dynamically organizes its codification using numeric paragraphs that are not consistent from topic to topic.
30. While codification is the most commonly known manner to arrange or present accounting standards, not all standard setters have instituted a codification. For example, the IPSASB provides the *Handbook of International Public Sector Accounting Pronouncements*, published as of January 31 that also includes the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities. The IPSASB Handbook contains standards on specific topics. When IPSASB amends an existing standard it amends or replaces the old standards in the Handbook, thereby reducing the likelihood of having more than one standard on the same topic. While not a codification in the same sense as FASB, the IPSASB Handbook does have advantages because it assists users by organizing related guidance in the same place and updating amended standards. Though there are many differences, some may note similarities when comparing the IPSASB Handbook with the FASAB Handbook because both are “Handbooks” and both offer a synopsis of amendments at the beginning of standards. However, the layout, process for updating, and other factors<sup>30</sup> make the products very different.
31. The Board is committed to improving the delivery of accounting standards and has considered codification and improvements to the FASAB Handbook in the past. In 2004 FASAB issued a Current Text (or Volume II) that presented the authoritative portions of pronouncements in a topical arrangement. The Current Text was only issued for a short time because there was concern that it was not widely used, so the cost to maintain appeared to exceed any benefit. The Board notes that the number of pronouncements (and underlying amendments) has increased since 2004, which has led to greater complications. Therefore, a new cost / benefit analysis may produce different results.
32. In 2016 FASAB conducted focus group meetings<sup>31</sup> with the financial management community (representatives from that CFO, OIG and IPA communities) to evaluate

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<sup>30</sup> For example, [International Federation of Accountants](https://www.ifac.org/e-international-standards) (IFAC) worked together with the standard-setting boards under its jurisdiction, including the International Public Sector Accounting Standards Board (IPSASB), to develop a modern platform allowing the profession easier access to international standards, while providing enhanced functionality in how the standards are used. To learn more about the platform and electronic tool, see <https://www.ifac.org/e-international-standards>.

<sup>31</sup> For the full briefing memo please refer to this link:  
[http://files.fasab.gov/pdffiles/tab\\_a\\_handbook\\_update\\_aug\\_2016.pdf](http://files.fasab.gov/pdffiles/tab_a_handbook_update_aug_2016.pdf)

alternatives for providing accounting standards. While most participants agreed that a topic arrangement would provide user benefits, the majority did not see the benefits outweighing perceived costs and resources. During the focus group sessions, most participants supported maintaining the FASAB Handbook. However, participants offered suggestions to improve the functionality, search features, and other features of the current FASAB Handbook. Participants voiced concern<sup>32</sup> about a transition to a topical codification because there was a strong preference to maintain the current handbook format. However, considering resource constraints, the Board in consultation with the FASAB staff determined that it would not be feasible to produce two formats if a transition to a topical codification was selected; that is, the current FASAB Handbook would no longer be updated.<sup>33</sup> Certain improvements (but not all discussed or envisioned) were made to the FASAB Handbook.

33. The Board believes there is merit in considering improvements to Appendix A, *Topical Index*<sup>34</sup> of the FASAB Handbook. For example, the FASAB could display the Topical Index in a more prominent manner at the beginning of the Handbook or on the FASAB website as a direct link under the Handbook by Chapter. The Board also recognizes the need to thoroughly review the Topical Index to ensure proper alignment with pronouncements or specific sections within pronouncements.
34. The Board recognizes a longstanding issue pertains to how the FASAB Handbook is updated to reflect amendments, especially those with delayed implementation. As the number of standards increases and the standards are subjected to numerous layers of amendments, it is much more complex for users to follow. For example, certain stakeholders have commented in the past that it is difficult to evaluate exposure drafts that have amendments because most often those would reference standards that have their own layers of amendments. Other complexities include the retention of obsolete content, such as rescinded terms, outdated examples, or other stale content in appendices in the handbook makes it harder to follow.
35. Another important consideration is that most federal Departments or agencies prepare their own respective "Departmental Accounting Policy or Handbook" that is typically arranged by topic and updated with new FASAB pronouncements. These are based on the FASAB pronouncements but are also agency-specific with management guidance. Therefore, topical guidance formats may exist in different settings.
36. The Board believes it important to hear feedback from the stakeholders on this important topic. As explained, it is important for the Board to understand the preference of stakeholders on these matters in conjunction with the reexamination. For example, a strong

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<sup>32</sup> While certain participants favored a topical codification, several concerns were voiced by participants about a transition to a topical codification. Most notable concerns included the different levels of GAAP and how they would be distinguished, as well as where the concepts and basis for conclusions would ultimately reside. There were also concerns about the amendments, effective dates, and potential issues with topics merging into one another.

<sup>33</sup> The Board notes that it has been nearly 7 years since they obtained feedback from the community on this topic. Therefore, the feedback or perspectives may be outdated. Further, the Board would like to reexamine what is now feasible given advances in desktop publishing and other types of search capabilities.

<sup>34</sup> The Board notes that users may be are unaware of Appendix A, *Topical Index* of the FASAB Handbook (see <http://fasab.gov/documentby-chapter/> and click on Appendix A: Topical Index PDF.)



preference for topical codification may affect the manner in which the Board approaches the reexamination project so that efficiencies can be gained where appropriate. Likewise, understanding preferences could assist in implementing additional improvements to the current Handbook may improve functionally and increase its usability. Potential improvements include providing additional search capabilities, such as allowing a search by topic, providing users the ability to choose between authoritative and nonauthoritative guidance, or choosing between levels of GAAP. Other options include: (1) otherwise distinguishing via format changes (e.g., shading) between authoritative and nonauthoritative language within the FASAB Handbook (2) creating a separate .pdf that contains all authoritative language, or (3) creating separate .pdf or modifying organization of the handbook that groups standards and all corresponding amendments and related interpretations together. The Board believes enhancements and improvements to the current Handbook could improve functionally and increase its usability, thereby enhancing efficiency for users as they research accounting standards. The goal is to provide the FASAB Handbook in a manner that is coherent, comprehensive, readily accessible, and leaves no room for ambiguity or misinterpretation.

## **CODIFICATION OF FASAB STANDARDS AND FASAB HANDBOOK IMPROVEMENTS QUESTIONS**

**QUESTION 3.1: Would you prefer that the Board consider a project to:**

- a) **Codify<sup>35</sup> FASAB standards**
- b) **Implement the FASAB Handbook in a process<sup>36</sup> and manner similar to IPSASB**
- c) **Continue the FASAB Handbook with improvements**

**Choose an item.**

**Please explain your response, including specific reasons and examples to support your rationale. [Click or tap here to enter text.](#)**

**Question 3.2: Regarding your experiences working with the FASAB Handbook, please consider a wide array of experiences—such as researching technical matters, finding relevant material within the Handbook, and responding to exposure drafts. How useful and useable is the FASAB Handbook in the current format?**

**Choose an item.**

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<sup>35</sup> Codification is an abstract term and may be considered differently by individuals. The Oxford definition provides that it means “the action or process of arranging laws or rules according to a system or plan.” Hence, most accountants refer to a codification of accounting standards by topics.

<sup>36</sup> While not a codification, implementing a process similar to IPSASB’s Handbook process (when an existing standard is amended, they amend or replace the old standards, thereby reducing the opportunity to have more than one standard on the same topic) would have advantages because it assists users by putting related guidance in the same place and replacing amending standards.

Please explain your response, including specific reasons and examples to support your rationale. [Click or tap here to enter text.](#)

**Question 3.3:** What improvements would make FASAB's Handbook more useful? For example, are there search features, capabilities or functions that would improve the FASAB Handbook? Also consider if improvements (e.g., enhanced and consistent updates of the topical index and inclusion on the FASAB website) to Appendix A, *Topical Index*<sup>37</sup> of the FASAB Handbook, would be a significant benefit to users? (Please consider the benefits or challenges you have found in working in the Handbook now along with other electronic resources and other standard setters' online services.)

[Click or tap here to enter text.](#)

Please explain your response, including specific reasons and examples to support your rationale.

**Question 3.4.** The Board recognizes a longstanding issue pertains to how the FASAB Handbook is updated to reflect amendments, especially those with delayed implementation. **Have you experienced issues with understanding the current applicable GAAP due to FASAB's process for updating the Handbook for pronouncements with delayed implementation?**

Choose an item.

Please explain your response, including specific reasons and examples to support your rationale. The Board is also interested in feedback on ways to improve the process to reflect amendments, especially those with delayed implementation. Please provide input or recommendations on ways to improve this. [Click or tap here to enter text.](#)

**Question 3.5.** Based on the current format and layout, are there areas of the FASAB Handbook that cause confusion when considering or applying the GAAP Hierarchy?

Choose an item.

Please explain your response, including specific reasons and examples to support your rationale. [Click or tap here to enter text.](#)

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<sup>37</sup> Appendix A: Topical Index (see <http://fasab.gov/documentby-chapter/> and click on Appendix A: Topical Index (PDF)

## APPENDIX A: MATRIX OF INDIVIDUAL SFFAS

The below matrix depicts the 60 SFFAS issued by FASAB chronologically. The Board has promulgated 16 amending standards, 8 rescinded standards, 6 deferrals, and 2 omnibus—resulting in 27 ‘topic’ standards when addressed chronologically.

### Legend:

**RESCINDED**-SFFAS will not be considered in the Reexamination

**DEFERRAL**- SFFAS will not be considered since the deferral resolved with time

**AMENDMENT or OMNIBUS**- SFFAS is not considered a “new SFFAS topic” and is considered with the appropriate main (amended) SFFAS topic. See Notes column for SFFAS topic aggregation and amended main topic also lists other SFFASs.

**CFR**-SFFAS specific to the CFR (SFFAS 24 & SFFAS 32) grouped together

SFFAS 15 is EXCLUDED FROM REEXAMINATION because the SFFAS is currently being reviewed under an active Board project

SFFAS 54 & 59 ARE EXCLUDED FROM REEXAMINATION because the SFFASs are NOT yet effective.

SFFAS 56 IS EXCLUDED FROM REEXAMINATION due to the topic

SFFAS Topic #	SFFAS #	Statement of Federal Financial Accounting Standards (SFFASs) with links to full pronouncement	Notes- shows link for amending SFFAS
1	1	<a href="#">SFFAS 1, Accounting for Selected Assets and Liabilities</a>	
2	2	<a href="#">SFFAS 2, Accounting for Direct Loans and Loan Guarantees</a> AS AMENDED BY: <a href="#">SFFAS 18</a> , <a href="#">SFFAS 19</a>	
3	3	<a href="#">SFFAS 3, Accounting for Inventory and Related Property</a> AS AMENDED BY: <a href="#">SFFAS 48</a>	
4	4	<a href="#">SFFAS 4, Managerial Cost Accounting Standards and Concepts</a> AS AMENDED BY: <a href="#">SFFAS 55</a>	
5	5	<a href="#">SFFAS 5, Accounting for Liabilities of The Federal Government</a> AS AMENDED BY: <a href="#">SFFAS 12</a> , <a href="#">SFFAS 25</a>	
6	6	<a href="#">SFFAS 6, Accounting for Property, Plant, and Equipment</a> AS AMENDED BY: <a href="#">SFFAS 23</a> , <a href="#">SFFAS 40</a> , <a href="#">SFFAS 50</a>	
7	7	<a href="#">SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</a> AS AMENDED BY: <a href="#">SFFAS 20</a> , <a href="#">SFFAS 21</a> , <a href="#">SFFAS 53</a>	
	8	<a href="#">SFFAS 8, Supplementary Stewardship Reporting</a>	
	9	<a href="#">SFFAS 9, Deferral of the Effective Date of Managerial Cost Accounting Standards for the Federal Government in SFFAS No. 4</a>	
8	10	<a href="#">SFFAS 10, Accounting for Internal Use Software</a>	

	11	<b>SFFAS 11, Amendments to Accounting for Property, Plant, and Equipment – Definitional Changes – Amending SFFAS 6 and SFFAS 8 Accounting for Property, Plant, and Equipment and Supplementary Stewardship Reporting</b>	
	12	<b>SFFAS 12, Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government</b>	Considered under Topic #5 <b>SFFAS 5</b>
	13	<b>SFFAS 13, Deferral of Paragraph 65.2—Material Revenue-Related Transactions Disclosures</b>	
	14	<b>SFFAS 14, Amendments to Deferred Maintenance Reporting Amending SFFAS 6, Accounting for Property, Plant and Equipment and SFFAS 8, Supplementary Stewardship Reporting</b>	
9	15	<b>SFFAS 15, Management’s Discussions and Analysis</b>	
	16	<b>SFFAS 16, Amendments to Accounting For Property, Plant, and Equipment—Measurement and Reporting for Multi-Use Heritage Assets: Amending SFFAS 6 and SFFAS 8 Accounting for Property, Plant, and Equipment and Supplementary Stewardship Reporting</b>	
10	17	<b>SFFAS 17, Accounting for Social Insurance</b> <b>AS AMENDED BY: SFFAS 26, SFFAS 37</b>	
	18	<b>SFFAS 18, Amendments to Accounting Standards For Direct Loans and Loan Guarantees in SFFAS No. 2</b>	Considered under Topic #2 <b>SFFAS 2</b>
	19	<b>SFFAS 19, Technical Amendments to Accounting Standards For Direct Loans and Loan Guarantees in SFFAS 2</b>	Considered under Topic #2 <b>SFFAS 2</b>
	20	<b>SFFAS 20, Elimination of Certain Disclosures Related to Tax Revenue Transactions by the Internal Revenue Service, Customs, and Others, Amending SFFAS 7, Accounting for Revenue and Other Financing Sources</b>	Considered under Topic #7 <b>SFFAS 7</b>
	21	<b>SFFAS 21, Reporting Corrections of Errors and Changes in Accounting Principles, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources</b>	Considered under Topic #7 <b>SFFAS 7</b>
	22	<b>SFFAS 22, Change in Certain Requirements for Reconciling Obligations and Net Cost of Operations, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources</b>	
	23	<b>SFFAS 23, Eliminating the Category National Defense Property, Plant, and Equipment</b>	Considered under Topic #6 <b>SFFAS 6</b>
11	24	<b>SFFAS 24, Selected Standards for the Consolidated Financial Report of the United States Government</b>	CFR- Considered with <b>SFFAS 32</b> , both under topic #11
	25	<b>SFFAS 25, Reclassification of Stewardship Responsibilities and Eliminating the Current Services Assessment</b>	Considered under Topic #5 <b>SFFAS 5</b>

	26	<b>SFFAS 26, Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25</b>	Considered under Topic #10 <b>SFFAS 17</b>
12	27	<b>SFFAS 27, Identifying and Reporting Funds from Dedicated Collections</b> <b>AS AMENDED BY: SFFAS 43</b>	
	28	<b>SFFAS 28, Deferral of the Effective Date of Reclassification of the Statement of Social Insurance: Amending SFFAS 25 and 26</b>	
13	29	<b>SFFAS 29, Heritage Assets and Stewardship Land</b>	
	30	<b>SFFAS 30, Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts</b>	
14	31	<b>SFFAS 31, Accounting for Fiduciary Activities</b>	
	32	<b>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"</b>	CFR- Considered with <b>SFFAS 24</b> , both under topic #11
15	33	<b>SFFAS 33, Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</b>	
16	34	<b>SFFAS 34, The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</b>	
	35	<b>SFFAS 35, Estimating the Historical Cost of General Property, Plant, and Equipment: Amending Statements of Federal Financial Accounting Standards 6 and 23</b>	
17	36	<b>SFFAS 36, Comprehensive Long-Term Projections for the U.S. Government</b>	
	37	<b>SFFAS 37, Social Insurance: Additional Requirements for Management's Discussion and Analysis and Basic Financial Statements</b>	Considered under Topic #10 <b>SFFAS 17</b>
18	38	<b>SFFAS 38, Accounting for Federal Oil and Gas Resources</b>	
19	39	<b>SFFAS 39, Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</b>	
	40	<b>SFFAS 40, Deferred Maintenance and Repairs: Definitional Changes</b>	Considered under Topic #6 <b>SFFAS 6</b>
	41	<b>SFFAS 41, Deferral of the Effective Date of SFFAS 38, Accounting for Federal Oil and Gas Resources</b>	
	42	<b>SFFAS 42, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32</b>	Considered under Topic #6 <b>SFFAS 6</b>

	43	<b>SFFAS 43, Dedicated Collections: Amending SFFAS 27, Identifying and Reporting Earmarked Funds</b>	Considered under Topic #12 <b>SFFAS 27</b>
20	44	<b>SFFAS 44, Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</b>	
	45	<b>SFFAS 45, Deferral of the Transition to Basic Information for Long-Term Projections</b>	
	46	<b>SFFAS 46, Deferral of the Transition to Basic Information for Long-Term Projections – Amending SFFASs 36 and 45</b>	
21	47	<b>SFFAS 47, Reporting Entity</b>	
	48	<b>SFFAS 48, Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials</b>	Considered under Topic #3 <b>SFFAS 3</b>
22	49	<b>SFFAS 49, Public-Private Partnerships: Disclosure Requirements</b>	
	50	<b>SFFAS 50, Establishing Opening Balances for General Property, Plant, and Equipment: Amending Statement of Federal Financial Accounting Standards (SFFAS) 6, SFFAS 10, SFFAS 23, and Rescinding SFFAS 35</b>	Considered under Topic #6 <b>SFFAS 6</b>
23	51	<b>SFFAS 51, Insurance Programs</b>	
24	52	<b>SFFAS 52, Tax Expenditures</b>	
	53	<b>SFFAS 53, Budget and Accrual Reconciliation</b>	Considered under Topic #7 <b>SFFAS 7</b>
25	54	<b>SFFAS 54, Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment</b> <b>AS AMENDED BY: SFFAS 60, SFFAS 57</b>	
	55	<b>SFFAS 55, Amending Inter-entity Cost Provisions</b>	Considered under Topic #4 <b>SFFAS 4</b>
26	56	<b>SFFAS 56, Classified Activities</b>	
	57	<b>SFFAS 57, Omnibus Amendments 2019</b>	Considered under Topic #25 <b>SFFAS 54</b>
	58	<b>SFFAS 58, Deferral of the Effective Date of SFFAS 54, Leases</b>	
27	59	<b>SFFAS 59, Accounting and Reporting of Government Land</b>	
	60	<b>SFFAS 60, Omnibus Amendments 2021: Leases-Related Topics</b>	Considered under Topic #25 <b>SFFAS 54</b>



## APPENDIX B: FASAB'S EZ-FAS

### FASAB's EZ-FAS

FASAB Handbook, Version 20 (06/21)

#### General Principles/Presentation

- OL SFFAC 1 Financial Reporting Objectives
- OL SFFAC 2 Entity and Display
- OL SFFAC 5 Definitions of Elements and Basic Recognition Criteria
- OL SFFAC 6 Distinguishing Basic, RSI, and Other Information
- OL SFFAC 7 Measurement After Initial Recording
- A SFFAS 34 The GAAP Hierarchy Including FASB
- B TB 2000-1 Purpose and Scope of TBs and Procedures
- A SFFAS 39 Subsequent Events
- A SFFAS 47 Reporting Entity
- B TB 2003-1 Q&A Related to the Homeland Security Act of 2002
- OL SFFAC 8 Federal Financial Reporting
- OL SFFAC 9 Materiality

#### Management's Discussion and Analysis

- OL SFFAC 3 Management's Discussion and Analysis
- A SFFAS 15 Management's Discussions and Analysis

#### Consolidated Financial Report

- OL SFFAC 4 Intended Audience & Qualitative Characteristics
- A SFFAS 24 Selected Standards for the CFR
- A SFFAS 32 CFR: Implementing SFFAC 4
- A SFFAS 52 Tax Expenditures

#### Cost Accounting

- A SFFAS 4 Managerial Cost Accounting Standards and Concepts
- A SFFAS 9 Deferral of the Effective Date of SFFAS No. 4
- A SFFAS 55 Amending Inter-entity Cost Provisions

#### Legend

- OL = Other Literature
- A = Level A GAAP
- B = Level B GAAP
- C = Level C GAAP
- D = Level D GAAP

#### Assets & Liabilities

- A SFFAS 1 Selected Assets and Liabilities
- b TB 2017-2 Assigning Assets to Component Reporting Entities
- C TR 12 Accrual Estimates for Grant Programs
- A SFFAS 3 Inventory and Related Property
- A INT 7 Items Held for Remanufacture
- C TR 4 Reporting on Non-Valued Seized and Forfeited Property
- A SFFAS 5 Liabilities of the Federal Government
- A INT 9 Cleanup Cost Liabilities Involving Multiple Component Reporting Entities
- B TB 2006-1 Recognition and Measurement of Asbestos-Related Cleanup Costs
- B TB 2009-1 Deferral of the Effective Date of Technical Bulletin 2006-1
- B TB 2011-2 Extended Deferral of TB 2006-1
- B TB 2017-1 Intragovernmental Exchange Transactions
- C TR 2 Determining Probable and Reasonably Estimable for Environmental Liabilities
- C TR 10 Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment
- C TR 11 Guidance on Cleanup Costs Associated with Equipment
- A SFFAS 12 Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5
- A INT 2 Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5
- B TB 2002-1 Assigning to Component Entities
- C TR 1 Audit Legal Representation Letter Guidance
- A SFFAS 38 Oil and Gas Resources
- B TB 2011-1 Natural Resources Other than Oil and Gas
- A SFFAS 41 Deferral of the Effective Date of SFFAS 38
- A SFFAS 48 Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials
- A INT 10 Clarification of Non-Federal Non-Entity FBWNT Classification

#### Property, Plant and Equipment

- A SFFAS 6 Property, Plant, and Equipment
- A INT 9 Cleanup Cost Liabilities Involving Multiple Component Reporting Entities
- B TB 2017-2 Assigning Assets to Component Reporting Entities
- C TR 7 Clarification of Standards Relating to NASA's Space Exploration Equipment
- C TR 13 Implementation Guide for Estimating the Historical Cost of G-PP&E
- C TR 14 Implementation Guidance on the Accounting for the Disposal of G-PP&E
- C TR 15 Implementation Guidance For G-PP&E Cost Accumulation, Assignment and Allocation
- D SIG 6.1 Clarification of Paragraphs 40-41 of SFFAS 6
- A SFFAS 10 Internal Use Software
- C TR 16 Implementation Guidance for Internal Use Software
- A SFFAS 23 Eliminating the Category National Defense Property, Plant, and Equipment
- D SIG 23.1 Guidance for Implementation of SFFAS 23
- A SFFAS 40 Deferred Maintenance and Repairs: Definitional Changes
- A SFFAS 42 Deferred Maintenance and Repairs: Amending SFFAS 6, 14, 29, and 32
- A SFFAS 44 Impairment of General Property, Plant, and Equipment Remaining in Use
- A SFFAS 50 Establishing Opening Balances for General Property, Plant, and Equipment
- C TR 17 Conforming Amendments to Technical Releases for SFFAS 50
- C TR 18 Implementation Guidance for Establishing Opening Balances
- A SFFAS 54 Leases
- A SFFAS 58 Deferral of the Effective Date of SFFAS 54, Leases
- C TR 20 Implementation Guidance for Leases
- A SFFAS 59 Accounting and Reporting of Government Land
- A SFFAS 60 Omnibus Amendments 2021: Leases-Related Topics

# FASAB's EZ-FAS

FASAB Handbook, Version 20 (06/21)

## Revenue

- A SFFAS 7 Revenue & OFS and Concepts for Reconciling Budgetary and Financial Accounting
- A INT 11 Debt Cancellation: SFFAS 7
- A INT 1 Reporting Indian Trust Funds
- A SFFAS 13 Deferral of Paragraph 65.2—Material Revenue-Related Transactions Disclosures
- A INT 5 Recognition by Recipient Entities of Receivable Nonexchange Revenue
- B TB 2002-2 Disclosures Required by Paragraph 79(g) of SFFAS 7
- B TB 2017-1 Intragovernmental Exchange Transactions
- A SFFAS 20 Elimination of Certain Disclosures Related to Tax Revenue Transactions
- A SFFAS 21 Reporting Correction of Errors and Changes in Accounting Principles
- A SFFAS 27 Identifying and Reporting Funds from Dedicated Collections
- A SFFAS 43 Dedicated Collections: Amending SFFAS 27
- B TB 2020-1 Loss Allowance for Intragovernmental Receivables

## Stewardship and Fiduciary Reporting

- A SFFAS 25 Reclassification of Stewardship Responsibilities and Eliminating the CSA
- A SFFAS 29 Heritage Assets and Stewardship Land
- C TR 9 Implementation Guide for SFFAS 29, Heritage Assets and Stewardship Land
- A SFFAS 31 Accounting for Fiduciary Activities
- D Sig 31.1 Guidance for Implementation of SFFAS 31

## Direct Loans & Guarantees

- A SFFAS 2 Direct Loans and Loan Guarantees
- C TR 3 Auditing Estimates for Direct Loan and Loan Guarantee Subsidies
- C TR 6 Preparing Estimates for Direct Loan and Loan Guarantee Subsidies
- A SFFAS 18 Amendments to Direct Loans and Loan Guarantees in SFFAS No. 2
- A SFFAS 19 Technical Amendments to Direct Loans and Loan Guarantees in SFFAS 2

## Social Insurance, Pensions & OPEB

- A SFFAS 17 Social Insurance
- A SFFAS 26 Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25
- A SFFAS 28 Deferral of the Effective Date of Reclassification of the Statement of Social Insurance: Amending SFFAS 25 and 26
- A SFFAS 33 Pensions, ORB, and OPEB: Gains/Losses from changes in assumptions, selecting discount rates & valuation dates.
- A INT 4 Pension Payments in Excess of Pension Expense
- A SFFAS 37 Social Insurance: Additional Requirements for MD&A and Basic Financial Statements

## Legend

OL = Other Literature  
A = Level A GAAP  
B = Level B GAAP  
C = Level C GAAP  
D = Level D GAAP

## Long Term Fiscal Projections

- A SFFAS 36 Comprehensive Long-Term Projections for the U.S. Government
- A SFFAS 45 Deferral of the Transition to Basic Information for Long-Term Projections
- A SFFAS 46 Deferral of the Transition to Basic Information for Long-Term Projections

## Broad Transactional Areas

- A SFFAS 49 Public-Private Partnerships: Disclosure Requirements
- A SFFAS 51 Insurance Programs
- A SFFAS 53 Budget and Accrual Reconciliation
- A SFFAS 56 Classified Activities
- A INT 8 Interpretation of SFFAS 56
- A SFFAS 57 Omnibus Amendments 2019

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Technical Inquiry page:

<https://fasab.gov/technical-inquiries-2/>

[www.fasab.gov](http://www.fasab.gov)



## APPENDIX C: ABBREVIATIONS

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FASAB	Federal Accounting Standards Advisory Board
GAAP	Generally Accepted Accounting Principles
GPFFR	General Purpose Federal Financial Report
OMB	Office of Management and Budget
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards

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## Invitation to Comment

**Topics Related to the FASAB Reexamination Project**

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

☐

Federal Entity (user)

☐

Federal Entity (preparer)

☐

Federal Entity (auditor)

☐

Federal Entity (other)

☐

If other, please specify:

Association/Industry Organization

☐

Nonprofit organization/Foundation

☐

Other

☐

If other, please specify:

Individual

☐

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.

**FASAB GAAP HIERARCHY QUESTIONS**

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

Choose an item.

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

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

Choose an item.

Please explain your response, including any perceived challenges with applying SFFAS 34 (e.g., utility in applying SFFAS 34 to resolving accounting and reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship to other standard-setters, inconsistencies with different levels of GAAP, questions regarding the application of "practices that are widely recognized and prevalent in the federal government.") [Click or tap here to enter text.](#)

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**QUESTION 1.3: Do you believe training would assist in your understanding and application of the federal GAAP hierarchy in SFFAS 34?**

**Choose an item.**

Please explain your response, including specific details and examples to support your rationale. **Click or tap here to enter text.**

**REEXAMINATION OF FASAB STANDARDS QUESTIONS**

**QUESTION 2.1:** Below is a truncated version of [Appendix A-Matrix of Individual SFFAS](#) to assist with question 2.1, but respondents should review Appendix A<sup>1</sup> in its entirety for a full understanding.

**2.1a Which SFFAS ‘topic’ do you believe the Board should prioritize or give greater importance as part of the Reexamination project? For each SFFAS topic, please indicate the priority level for reexamine. Selection options:**

- (1) HIGH priority: topic and related SFFASs are of significant concern and should be included in the reexamination with priority.**
- (2) MEDIUM/LOW priority: topic and related SFFASs should be included in the reexamination, but after HIGH priority topics are addressed.**
- (3) NO priority – topic and related SFFASs do not need to be reexamined.**

**Please explain your response, including specific details and examples to support your rationale, especially those ranked HIGH Priority and Medium/Low Priority.** Provide information (including specific SFFASs 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 the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps<sup>2</sup> in current guidance, perceived overlaps and/or redundancy in requirements (whether

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<sup>1</sup> [Appendix A-Matrix of Individual SFFAS](#) provides more details regarding how the 60 SFFASs result in 27 ‘new topic’ standards (i.e., those SFFAS which do NOT amend, rescind, defer, or otherwise modify existing guidance.)

<sup>2</sup> The Board recognizes there is a process in place for obtaining input on the Board’s agenda and new projects. This would relate to perceived voids and/or gaps in the existing GAAP standards that require clarification and respondents believe it should be addressed in the Reexamination project. The Board notes that often some areas may not be clear or sufficiently addressed in current GAAP or they may appear to be a void if the topic is not adequately addressed or sufficiently clear. If so, please list those topic(s), specifying your reasons why they should be included in the reexamination and the urgency of that need. Please provide the information and detail needed to clearly explain your reasons and the urgency. This information would be helpful to the Board in understanding why the topic might take precedence or be considered more important than another.

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#### ***Topics Related to the FASAB Reexamination Project***

standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS.

<b>SFFAS Topic #</b>	<b>Statement of Federal Financial Accounting Standards (SFFASs) with links to full pronouncement</b>	<b>Answers will be drop down</b>
1	<a href="#">SFFAS 1</a> , <i>Accounting for Selected Assets and Liabilities</i>	Choose an item.  Click or tap here to enter text.
2	<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>	Choose an item.  Click or tap here to enter text.
3	<a href="#">SFFAS 3</a> , <i>Accounting for Inventory and Related Property</i> AS AMENDED BY: <a href="#">SFFAS 48</a>	Choose an item.  Click or tap here to enter text.
4	<a href="#">SFFAS 4</a> , <i>Managerial Cost Accounting Standards and Concepts</i> AS AMENDED BY: <a href="#">SFFAS 55</a>	Choose an item.  Click or tap here to enter text.
5	<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>	Choose an item.  Click or tap here to enter text.
6	<a href="#">SFFAS 6</a> , <i>Accounting for Property, Plant, and Equipment</i> AS AMENDED BY: <a href="#">SFFAS 23</a> , <a href="#">SFFAS 40</a> , <a href="#">SFFAS 50</a>	Choose an item.  Click or tap here to enter text.
7	<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>	Choose an item.  Click or tap here to enter text.
8	<a href="#">SFFAS 10</a> , <i>Accounting for Internal Use Software</i>	Choose an item.  Click or tap here to enter text.

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**Topics Related to the FASAB Reexamination Project**

9 <sup>3</sup>	<a href="#">SFFAS 15</a> , <i>Management's Discussions and Analysis</i>	Click or tap here to enter text.
10	<a href="#">SFFAS 17</a> , <i>Accounting for Social Insurance</i> AS AMENDED BY: <a href="#">SFFAS 26</a> , <a href="#">SFFAS 37</a>	Choose an item.  Click or tap here to enter text.
11	<a href="#">SFFAS 24</a> , <i>Selected Standards for the Consolidated Financial Report of the United States Government</i> AND <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> both <a href="#">SFFAS 24</a> and <a href="#">SFFAS 32</a> considered to be CFR topic	Choose an item.  Click or tap here to enter text.
12	<a href="#">SFFAS 27</a> , <i>Identifying and Reporting Funds from Dedicated Collections</i> AS AMENDED BY: <a href="#">SFFAS 43</a>	Choose an item.  Click or tap here to enter text.
13	<a href="#">SFFAS 29</a> , <i>Heritage Assets and Stewardship Land</i>	Click or tap here to enter text.
14	<a href="#">SFFAS 31</a> , <i>Accounting for Fiduciary Activities</i>	Click or tap here to enter text.
15	<a href="#">SFFAS 33</a> , <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>	Click or tap here to enter text.
16	<a href="#">SFFAS 34</a> , <i>The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</i>	Click or tap here to enter text.
17	<a href="#">SFFAS 36</a> , <i>Comprehensive Long-Term Projections for the U.S. Government</i>	Click or tap here to enter text.
18	<a href="#">SFFAS 38</a> , <i>Accounting for Federal Oil and Gas Resources</i>	Click or tap here to enter text.

<sup>3</sup> SFFAS 15, *Management's Discussions and Analysis* is excluded from reexamination because the SFFAS is currently being reviewed under an active Board project.

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**Topics Related to the FASAB Reexamination Project**

19	<a href="#">SFFAS 39</a> , <i>Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</i>	Click or tap here to enter text.
20	<a href="#">SFFAS 44</a> , <i>Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</i>	Click or tap here to enter text.
21	<a href="#">SFFAS 47</a> , <i>Reporting Entity</i>	Click or tap here to enter text.
22	<a href="#">SFFAS 49</a> , <i>Public-Private Partnerships: Disclosure Requirements</i>	Click or tap here to enter text.
23	<a href="#">SFFAS 51</a> , <i>Insurance Programs</i>	Click or tap here to enter text.
24	<a href="#">SFFAS 52</a> , <i>Tax Expenditures</i>	Click or tap here to enter text.
25 <sup>4</sup>	<a href="#">SFFAS 54</a> , <i>Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment AS AMENDED BY: SFFAS 60, SFFAS 57</i>	Click or tap here to enter text.
26 <sup>5</sup>	<a href="#">SFFAS 56</a> , <i>Classified Activities</i>	Click or tap here to enter text.
27 <sup>6</sup>	<a href="#">SFFAS 59</a> , <i>Accounting and Reporting of Government Land</i>	Click or tap here to enter text.

**2.1b What are your top five SFFAS ‘topics’ from the above list, in priority sequence that should be reviewed as part of the reexamination project?** (As you prioritize a list of the top five SFFAS ‘topics’ needing reexamination, please be sure to consider your above rankings (i.e., one would expect that those labeled (1) High Priority would be ranked first, then any remaining would be filled by those labeled (2) Medium-Low priority.)

**#1. Choose an item.**

**#2. Choose an item.**

<sup>4</sup> SFFAS 54, *Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment* is excluded from the reexamination project because the SFFAS is not yet effective.

<sup>5</sup> SFFAS 56, *Classified Activities* is excluded from the reexamination project due to the topic.

<sup>6</sup> SFFAS 59, *Accounting and Reporting of Government Land* is excluded from the reexamination project because the SFFAS is not yet effective.



**Invitation to Comment*****Topics Related to the FASAB Reexamination Project*****#3. Choose an item.****#4. Choose an item.****#5. Choose an item.**

**Please explain your response, including specific details and examples to support your rationale.** Provide information (including specific SFFASs references where appropriate) that would help the Board in understanding why the reexamination of a particular SFFAS might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps<sup>7</sup> in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS. **Click or tap here to enter text.**

**QUESTION 2.2: What are your top three broad topic areas from FASAB's EZ-FAS topics<sup>8</sup> in priority sequence that should be reviewed as part of the reexamination project?**

**#1. Choose an item.****#2. Choose an item.****#3. Choose an item.**

**Please explain your response, including specific details and examples to support your rationale.** This information would be helpful to the Board in understanding why the reexamination of a particular broad topic area might take precedence or be considered more important than the reexamination of another SFFAS. For example, respondents may offer detail in terms of materiality, audit findings, changes in applicability, cost-benefit considerations, perceived voids and/or gaps in current guidance, perceived overlaps and/or redundancy in requirements (whether standards or elsewhere—but please be explicit regarding opportunities to eliminate or revise requirements), and/or other significant information to explain the need for reexamination of the SFFAS. The

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<sup>7</sup> The Board recognizes there is a process in place for obtaining input on the Board's agenda and new projects. This would relate to perceived voids and/or gaps in the existing GAAP standards that require clarification and respondents believe it should be addressed in the Reexamination project. The Board notes that often some areas may not be clear or sufficiently addressed in current GAAP or they may appear to be a void if the topic is not adequately addressed or sufficiently clear. If so, please list those topic(s), specifying your reasons why they should be included in the reexamination and the urgency of that need. Please provide the information and detail needed to clearly explain your reasons and the urgency. This information would be helpful to the Board in understanding why the topic might take precedence or be considered more important than another.

<sup>8</sup> Please see paragraph 21 and **Appendix B-FASAB's EZ-FAS** for more details regarding the EZ-FAS topics and the SFFAS breakdown into these categories.



**Invitation to Comment*****Topics Related to the FASAB Reexamination Project***

Board may use this information for further deliberations regarding the reexamination approach. **Click or tap here to enter text.**

**CODIFICATION OF FASAB STANDARDS AND FASAB HANDBOOK IMPROVEMENTS QUESTIONS**

**QUESTION 3.1: Would you prefer that the Board consider a project to:**

- a) Codify<sup>9</sup> FASAB standards
- b) Implement the FASAB Handbook in a process<sup>10</sup> and manner similar to IPSASB
- c) Continue the FASAB Handbook with improvements

**Choose an item.**

**Please explain your response, including specific reasons and examples to support your rationale. Click or tap here to enter text.**

**Question 3.2: Regarding your experiences working with the FASAB Handbook, please consider a wide array of experiences—such as researching technical matters, finding relevant material within the Handbook, and responding to exposure drafts. How useful and useable is the FASAB Handbook in the current format?**

**Choose an item.**

**Please explain your response, including specific reasons and examples to support your rationale. Click or tap here to enter text.**

**Question 3.3: What improvements would make FASAB's Handbook more useful? For example, are there search features, capabilities or functions that would improve the FASAB Handbook? Also consider if improvements (e.g., enhanced and consistent updates of the topical index and inclusion on the FASAB website) to Appendix A, *Topical Index*<sup>11</sup> of the FASAB Handbook, would be a significant benefit to users? (Please consider the benefits or challenges you have found in**

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<sup>9</sup> Codification is an abstract term and may be considered differently by individuals. The Oxford definition provides that it means "the action or process of arranging laws or rules according to a system or plan." Hence, most accountants refer to a codification of accounting standards by topics.

<sup>10</sup> While not a codification, implementing a process similar to IPSASB's Handbook process (when an existing standard is amended, they amend or replace the old standards, thereby reducing the opportunity to have more than one standard on the same topic) would have advantages because it assists users by putting related guidance in the same place and replacing amending standards.

<sup>11</sup> Appendix A: Topical Index (see <http://fasab.gov/documentby-chapter/> and click on Appendix A: Topical Index (PDF)

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working in the Handbook now along with other electronic resources and other standard setters' online services.)

[Click or tap here to enter text.](#)

**Please explain your response, including specific reasons and examples to support your rationale.**

**Question 3.4.** The Board recognizes a longstanding issue pertains to how the FASAB Handbook is updated to reflect amendments, especially those with delayed implementation. **Have you experienced issues with understanding the current applicable GAAP due to FASAB's process for updating the Handbook for pronouncements with delayed implementation?**

**Choose an item.**

**Please explain your response, including specific reasons and examples to support your rationale.** The Board is also interested in feedback on ways to improve the process to reflect amendments, especially those with delayed implementation. Please provide input or recommendations on ways to improve this. [Click or tap here to enter text.](#)

**Question 3.5.** Based on the current format and layout, are there areas of the FASAB Handbook that cause confusion when considering or applying the GAAP Hierarchy?

**Choose an item.**

**Please explain your response, including specific reasons and examples to support your rationale.** [Click or tap here to enter text.](#)