

Memorandum Technical Agenda

August 9, 2023

To: Members of the Board
From: Monica R. Valentine, Executive Director
Subject: **Technical Agenda Review** (Topic E)

INTRODUCTION

The Board annually reviews its technical agenda to determine priorities for the upcoming year. In addition to setting the Board's priorities in August, the Board will conduct a mid-year review of the technical agenda at the February meeting.

For this topic discussion, staff is seeking the Board's feedback on the current technical agenda projects, as well as the current pre-research topic.

REQUEST FOR FEEDBACK BY AUGUST 14

Prior to the Board's August meeting, please review the attached project information, staff recommendations, and analyses and consider the ensuing questions. If members have any comments or questions prior to the meeting please contact to me at ValentineM@fasab.gov by August 14.

NEXT STEPS

Based on the agenda priorities established by the Board, staff will allocate available resources appropriately to meet those priorities.

ATTACHMENT

1. Staff Analysis
2. Commitments Pre-Research
3. Project Timelines

Staff Analysis

Technical Agenda

Attachment 1

CONTEXT

The Board currently has ten active projects on the technical agenda and one pre-research topic underway.

BACKGROUND

The current FASAB staff resources include four assistant directors, two senior analysts, one analyst, one communications analyst, one executive assistant, and the executive director.

It is important to note that staff has been successful in leveraging resources through its various task forces, as well as agency details, however such assistance is sporadic and normally short-term in nature. Our past experiences have shown that additional resources provided by interns and detailees can be highly effective.

Given the limited resources, staff continues to provide well-written, well researched, and technically sound products to the Board and the Accounting and Auditing Policy Committee (AAPC) for deliberations. In addition, staff regularly provides responses to technical inquiries, conducts task force meetings, attends government-wide meetings representing FASAB, and participates in a variety of outreach activities. The Board should be cognizant of the fact that such continued outstanding performance in light of our staffing limitations is contingent on a host of variables, some of which are unknown and/or uncontrollable. Variables could include staff attrition, changes in Board priorities, or other factors affecting Board progress.

All known and reasonably foreseen factors should be taken into consideration as the Board establishes its priorities for the upcoming fiscal year.

CURRENT TECHNICAL AGENDA PROJECTS

Below is a list of the ten active projects on the Board's technical agenda, as well as summaries, current project status and recommended next steps for the projects. Also, included are the AAPC projects that require staff resources.

Current Technical Agenda Projects:

1. Climate Related Financial Reporting
2. Land Post-issuance
3. Leases Post-issuance
4. Omnibus Amendments
5. Public-Private Partnerships (P3)
6. Reexamination of Existing Standards
7. Reporting Model – Omnibus Concepts
8. Reporting Model – Management Discussion & Analysis
9. Software Technology: Cloud-Service Arrangements
10. Technical Clarifications of Existing Standards
11. AAPC – Leases Implementation Guidance Updates

Technical Agenda Project Summaries, Status, and Next Steps

1. Climate Related Financial Reporting

- a. Summary – The Board decided to address Climate-Related Financial Reporting in two phases. Phase I: develop a non-authoritative staff education paper to identify current guidance available for agencies to account for and report on climate-related impacts and risks; and Phase II: develop a framework for climate-related financial disclosures (CRFD).
- b. Status – The Board completed Phase I on May 17, 2022, when the climate staff paper titled [*Statements of Federal Financial Accounting Standards That May Be Relevant to Climate-Related Financial Reporting*](#), posted to the FASAB website.

Phase II began at the June 2022 Board Meeting. Members agreed to 1) analyze the Task Force for Climate-Related Financial Disclosures (TCFD) model as a starting point for developing the FASAB CRFD framework; and 2) activate a FASAB climate task force to help with research.

- c. Next Steps – The task force will deliver a number of education sessions to include: (1.) how other governments, such as California and Canada, have implemented TCFD reporting; (2.) how agencies are implementing and reporting on the many climate-related executive orders; and (3.) the common themes from the 10,000+ responses the SEC received on its climate-related proposed rules.

2. SFFAS 59, Land Post-issuance

- a. Summary - To ensure consistent accounting treatment and reporting for land holdings while considering user information needs, SFFAS 59 (1) requires

reclassifying general property, plant, and equipment (G-PP&E) land as a non-capitalized asset, (2) clarifies the definition for the stewardship land (SL) category, (3) requires the reporting of G-PP&E land and SL using three predominant use sub-categories: conservation and preservation land; operational land; and commercial use land, and (4) requires consistent and comparable disclosures of information for land (that is, reporting estimated acres of land, estimated acres of land held-for-disposal or exchange, and predominant land use).

- b. Status – SFFAS 59 was issued as final on July 30, 2021. Post-issuance activities have begun with staff assisting reporting entities with technical matters and coordinating with GAO and on an as-required basis.
- c. Next Steps - Given the potential implementation challenges related to SFFAS 59, the Board agreed to include a separate project on its technical agenda to monitor implementation challenges, and to assess the need, as appropriate, for actions to address those challenges prior to transition of the RSI requirements to the notes. Consistent with Board principles and practice, such actions may include, among other things, staff guidance, AAPC guidance, interpretations, or additional standards, as determined appropriate based on Board deliberations. As appropriate, staff intends to establish working groups comprising stakeholders, including major landholding agencies and users to conduct these assessment and research activities.

Beginning with fiscal Year 2022 to present, staff monitors implementation issues brought to its attention and provides technical assistance when requested.

Please note that GAO has met with the major federal land holding agencies and their auditors and is working towards finalizing and issuing audit guidance, in cooperation with the Council of the Inspectors General on Integrity and Efficiency (CIGIE), for auditing total acreage and acreage by predominant use sub-categories. The Board agreed to complete its assessment of remaining implementation issues associated with preparation and audit of the RSI (both total acreage and predominant use sub-categories) in fiscal year 2025, and, as appropriate, take actions to address them, before the RSI requirements transition to the notes.

3. SFFAS 54, Leases Post-issuance

- a. Summary - Since the issuance of SFFAS 54, *Leases*, in April 2018, the Board has completed numerous post-issuance activities. The objective of these activities has been to support effective and timely implementation and understanding of SFFAS 54 through implementation guidance and the timely identification and issuance of conforming amendments, clarifications, and other guidance. SFFAS 54 becomes effective in fiscal year 2024.

b. Status

- i. SFFAS 58, *Deferral of the Effective Date of SFFAS 54, Leases*, was issued on June 19, 2020.
 - ii. SFFAS 60, *Omnibus Amendments 2021: Lease-Related Topics*, was issued on November 4, 2021.
 - iii. Technical Release (TR) 20, *Implementation Guidance for Leases*, was also issued on November 4, 2021.
 - iv. Technical Bulletin 2023-1, *Intragovernmental Leasehold Reimbursable Work Agreements*, was issued on March 17, 2023.
 - v. SFFAS 61, *Omnibus Amendments 2023: Leases-Related Topics II*, was issued on April 7, 2023.
 - vi. In May 2023, the AAPC released an exposure draft proposal titled *Leases Implementation Guidance Updates*. Staff hopes to submit an AAPC-approved proposal to the Board for final review and issuance in September 2023 (projected / target issuance).
 - vii. In June 2023, the Board released an exposure draft proposal titled *Transitional Amendment to SFFAS 54*. Pending due process uncertainties, staff could issue a final pronouncement as early as November 2023 (projected / target issuance).
- c. Next Steps –Staff will continue to monitor and update the Board on implementation activities and elevate any technical inquiries that might require Board action. Although staff expects the volume of technical inquiries to increase in 2024 however, staff expects the volume of such inquiries to be lessened due to the Board's above-summarized post-issuance pronouncements.

4. Omnibus Amendments

- a. Summary – SFFAS 38, *Accounting for Federal Oil and Gas Resources*, requires the value of the federal government's estimated petroleum royalties from the production of federal oil and gas proved reserves to be reported in a schedule of estimated federal oil and gas petroleum royalties. In addition, SFFAS 38 requires the value of estimated petroleum royalty revenue designated for others be reported in a schedule of estimated federal oil and gas petroleum royalties to be distributed to others, as part of a discussion of all significant federal oil and gas resources under management of the entity. Technical Bulletin (TB) 2011-1, *Accounting for Federal Natural Resources Other Than Oil and Gas*, applies the general principles in SFFAS 38 and requires federal entities to report as Required Supplementary Information (RSI) the value of the federal government's

estimated royalties and other revenue from other federal natural resources that are (1) under long-term lease, long-term contract or other long-term agreement and (2) reasonably estimable as of the reporting date.

At the time SFFAS 38 and TB 2011-1 were issued, the Board believed that the estimated federal royalty share of proved oil and gas reserves and recoverable reserves of other natural resources should be presented as basic information, since the quantity of the estimated federal proved oil and gas reserves and recoverable reserves of other natural resources could be reliably estimated and converted to monetary terms. However, members wanted to gather more information about the reliability of the valuation methodologies before the Board made a final decision on whether the information should be recognized on the face of the financial statements or disclosed in the notes to the financial statements. The Board agreed to require the information to be reported as RSI for three years. Before the end of the three-year RSI period, the Board planned to decide whether the information would transition to basic information as financial statement recognition or note disclosure. The Board acknowledged that new information might become available that would warrant continued reporting as RSI.

Between August 2022 and June 2023, the Board reviewed the reliability of the valuation methodologies and determined that the significant measurement uncertainties and challenges still remain. The Board decided to propose retaining the reporting requirements in SFFAS 38 and TB 2011-1 as RSI.

In addition, SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, paragraph 24b requires “A description of federal and non-federal funding of the P3 over its expected life, including the mix and, where available, the amounts of such funding. For any amounts that are not available, the disclosures should indicate such.” Task Force representatives noted that SFFAS 49 paragraph 24b, which was meant exclusively to allow reporting entities to exclude the amounts of non-federal partner’s funding for situations when such information is unavailable, has been inappropriately applied by some reporting entities to exclude reporting of (1) federal partner funding estimates, and (2) cash flows required by paragraphs 24c and 24d. Further, task force representatives noted that non-federal partner funding information may have been excluded without reasonable efforts to obtain the funding information. The Board agreed to remove the “where available” exception in paragraph 24b to require disclosure of the amounts of non-federal partner funding in all circumstances, regardless of availability, and to avoid potential misapplication of paragraph 24b to the amounts of federal funding and other cash flow disclosure requirements. The Board recognized that non-federal funding information may not always be available, but believes that disclosure of such information is important to inform users as to the amount of funding attributable to each partner within a P3. That is, such amounts invested can impact a user’s understanding concerning the relative risks each partner is undertaking, the relative economic incentives they each bear or share, as well as the overall reasonableness of the P3s expected life.

Status – In the June 2023 meeting, the Board agreed to move to ballot the omnibus amendments ED. Staff is preparing the documents for balloting.

- b. Next Steps – Pending on the ballot result, the Board will issue and seek input on the exposure draft of the omnibus amendments.

5. Public-Private Partnerships (P3)

- a. Summary – The P3 project is meant to address federal agencies increasing use of P3s to accomplish program goals. The overall objective of the project is to make the full costs of such partnerships transparent.
- b. Status – The issuance of SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, on April 27, 2016, effectively concluded the first phase of the Board's two-phased project on public-private partnerships. Although the second phase of the project is expected to address measurement and recognition, some of which is directly related to the disclosures required by SFFAS 49, staff has been asked to address Phase I implementation issues prior to commencing Phase II. At the June 2023 meeting members agreed to move to ballot the Omnibus Amendments ED that includes the task force recommendation to amend language in SFFAS 49 at paragraph 24d to help achieve the intent of the guidance. Additionally, approximately a dozen meetings have been conducted with the following three different Task Force working teams: Team 1 – SFFAS 47 Reporting Entity; Team 2 – SFFAS 54 Leases; and Team 3 – Case Study Illustrations and Sample Note Disclosures. Draft implementation guidance is being finalized by Teams 1 and 2 demonstrating how SFFAS 49 serves as a "safety-net" to the Reporting Entity and Leases standards. The primary objective is to ensure that the SFFAS 49 disclosures do not repeat information and complement disclosures required by the overarching standards. Team 3 is working on five sample case studies from simple to complex that address the SFFAS 49 paragraph 24 disclosure requirements.
- c. Staff is preparing for an October 2023 Board presentation that will review the in-process, preliminary task force results which include: (1) a decision flow diagram along with accompanying instructions to help bring consistency to preparer implementation and entity reporting formats and (2) sample questions and answers and (3) case study illustrations and related Note disclosures..
- d. Next Steps – As requested by members, staff has created an *Issues Log* that captures and retains for future use potential measurement and recognition issues, as well as balance sheet recognition approaches/options. As noted above, staff expects to brief the Board in October 2023 concerning the task force's review of the Phase 1 post-implementation issues.

6. Reexamination of Existing Standards

- a. Summary – The objective of the reexamination project is to improve the standards and ensure that they are effective in providing financial information that supports public accountability and meets user needs. The project includes assessing most existing standards for current relevance and identifying opportunities to clarify, update, and streamline authoritative guidance. The Board is aware that identifying issues and an optimal approach is essential to the success of the project. The Board agreed that gaining widespread feedback through an invitation to comment (ITC) would be integral to the project's success. The ITC invites stakeholder input on two reexamination topics: 1) FASAB's hierarchy of generally accepted accounting principles (GAAP); and 2) FASAB standards that have been implemented.

[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 GAAP hierarchy into FASAB's authoritative literature. The Board believes it important to review the hierarchy levels to assess whether the federal financial reporting environment has changed significantly enough to warrant the consideration of changes to certain aspects of the hierarchy.

Standard setters should reexamine their accounting standards to ensure they are effective. The Board is seeking feedback from respondents on opportunities for the Board to improve the standards. This includes the following potential improvements:

- Streamlining authoritative guidance
- Eliminating or revising unclear requirements
- Eliminating disclosures and other required information that may no longer benefit users
- Filling gaps in the standards where the guidance either does not address or does not adequately address areas where federal financial reporting objectives are not being met
- Resolving inconsistencies in current practice
- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns
- Considering overlaps or redundancy in requirements

Insights into which standards or topics stakeholders believe are most in need of reexamination will help the Board prioritize issues as it deliberates its approach to the project.

- b. Status –The Board issued an Invitation to Comment, *Reexamination of Existing Standards* on May 15, 2023, to obtain input from stakeholders. The Board requests responses to the ITC by September 15, 2023. The ITC is available on the FASAB website. Respondents should use the Microsoft Word file available at <https://www.fasab.gov/documents-for-comment/> to provide comments on this ITC.
- c. Next Steps –Staff will review and analyze responses to the ITC and determine whether additional outreach may be necessary. Additional outreach may include a public hearing, round table, or task force. As such, no Board guidance will result from the information presented in the ITC or the feedback gathered from it. Instead, the insights gained and information provided through the ITC (and additional outreach and analysis that follow) will assist the Board in prioritizing issues and developing an approach to the reexamination project.

7. Reporting Model – Omnibus Concepts

- a. Summary - The objective of the concepts omnibus project is to amend existing concepts for note disclosures and management’s discussion and analysis (MD&A) in SFFAC 2, *Entity and Display*.
- b. Status – The Board has deliberated an exposure draft and it is ready for comment. The Board requested that it be released for comment in conjunction with the comment period for MD&A.
- c. Next Steps – FASAB will release the exposure draft for comment at the same time as the MD&A exposure draft.

8. Reporting Model – Management Discussion & Analysis

- a. Summary – The MD&A project is a segment of the Board’s reporting model initiative. The primary goal of the project is to incorporate standards-based language from SFFAC 3 and SFFAS 15 to provide a standalone SFFAS for preparing MD&As.
- b. Status – The Board is currently deliberating proposed updated MD&A standards for a draft exposure draft.
- c. Next Steps – Staff will continue working with the Board to develop proposed MD&A standards for exposure.

9. Software Technology: Cloud-Service Arrangements

- a. Summary – In 2022, the Board approved a scope for developing updates for software guidance. The scope consists of four major categories of software resources that the Board plans to address individually in the following order:
 - i. Cloud-service arrangements
 - ii. Shared services
 - iii. Internal use software updates
 - iv. Other software technology

The Board is currently developing reporting guidance for cloud-service arrangements. Research indicated federal entities increasingly use cloud services to address operational and mission needs, similar to the way internally developed software is used. However, cloud services generally present a lower investment risk and provide federal entities with greater flexibility in the amount and type of services received. Therefore, the Board believes it is important to address reporting guidance for this commonly used software-technology resource.

- b. Status – During the April 2023 meeting, the Board considered a cost-benefit analysis of multiple reporting options and determined that guidance should require federal entities to disclose cloud-service expenses. During the June 2023 meeting, the Board began deliberating reporting guidance language for cloud-service arrangements and agreed on a definition and scope for a draft exposure draft.
- c. Next Steps – Staff is coordinating with a working group and other stakeholders to research categories and characteristics of cloud-service expenses that would be useful as financial report disclosures. For the October 2023 meeting, staff plans to propose reporting requirement language for the Board’s consideration. Staff also plans to eventually propose reporting requirement language for other significant financial reporting issues pertaining to cloud-service arrangements, such as implementation costs and pre-paid cloud credits.

10. Technical Clarifications of Existing Standards

The Technical Clarifications of Existing Standards project addresses requests for clarifications to existing standards that may be needed. Ongoing efforts may include providing additional forums for preparers, auditors, and users to identify requirements they believe are unnecessary and where clarification may be needed (this can be accomplished through an open-ended written request for input or round table discussions). The Board will assess requests against the

federal financial reporting objectives. The Board may address these requests through the appropriate level of GAAP guidance.

FASAB staff will research topic areas as they are presented by the federal financial management community or identified through other projects. The Board has addressed several topics in the past and believes there is benefit to keeping this as an open project for critical requests. This project also includes FASAB liaison with DoD.

SFFAS 3 Digital Assets

- a. Summary – A federal entity has approached staff multiple times with issues analogizing and applying existing seized and forfeited property guidance from SFFAS 3, *Accounting for Inventory and Related Property* to an increasingly material amount of seized and forfeited digital assets. The Board has never previously addressed reporting guidance for digital assets.

At the April 2023 meeting, the Board did not support staff's proposal to develop amendments to SFFAS 3 to address seized and forfeited digital assets as part of the omnibus amendments effort. However, some members were open to considering issuing a Technical Bulletin to narrowly address the issues identified by staff.

- b. Status – Staff is coordinating with a working group to draft and propose a Technical Bulletin that would clarify and elaborate upon seized and forfeited property guidance in SFFAS 3 to address unique characteristics and reporting challenges of digital assets.
- c. Next Steps – For the October 2023 meeting, staff plans to propose the draft Technical Bulletin for the Board's consideration.

11. AAPC – Leases Implementation Guidance Updates

- a. Summary – The Board issued TR 20, *Implementation Guidance for Leases*, in November 2021. The AAPC will continue to research, develop, and provide recommendations to the Board for updating this guidance going forward.
- b. Status – The current AAPC project to update to TR 20 is in the finalization phase. Staff hopes to receive final AAPC and Board approvals for these updates in September 2023.
- c. Next Steps - The AAPC will continue to monitor implementation issues and research additional implementation guidance update candidates following fiscal year 2024. Staff will continue to perform research and outreach of implementation challenges during and immediately following fiscal year 2024.

A. RECOMMENDATION

Staff advises that although the above projects on the Board and AAPC agendas continue, staff recommend that the use of detailees and interns be available to supplement FASAB staff resources to continue moving the projects forward, where appropriate.

ANALYSIS

These ten projects currently on the Board's technical agenda, as well as the AAPC projects, are assigned to the six FASAB project managers. Please note that several project managers are managing two or three projects under the current technical agenda.

See the attached project timeline [**Attachment 3**], for projects expected to continue into fiscal years 2024 - 2027.

Question #1 for the Board:

Does the Board agree to continue with the current technical agenda projects and that the use of detailees where appropriate and interns be available to supplement FASAB staff resources to continue moving the projects forward?

CURRENT RESEARCH TOPICS

The Board currently has one pre-research topic. Below is the summary, research status, and recommended next steps for the research topic.

Current Pre-Research Topic:

- Commitments

Research Topic Summaries, Status, and Next Steps

Commitments

- a. Summary – The objective of the research topic is to provide the information needed to facilitate the Board in determining whether to consider commitments as a technical agenda project.
- b. Status – Staff has completed its initial research on commitments and will present the information to the Board in the August meeting.
- c. Next Steps – Staff will continue its research on the topic based on the discussion at the August meeting.

B. RECOMMENDATION

Pending the outcome of the project discussion on Commitments, the Board may consider adding this topic to its research agenda. The research is intended to address the current void in the accounting standards on federal commitments.

Staff Pre-Research

See *Attachment 2*

Question #2 for the Board:

Do members believe that a research project on commitments is appropriate?

Staff Research

Pre-Research: **Commitments**

August 9, 2023

CONTEXT

In the April 2023 meeting, while discussing the topic Software Technology (cloud-service arrangements) Chairman Scott and Mr. Dacey raised questions about federal entity reporting of commitments. They noted that, while reporting on commitments is currently required by the Office of Management and Budget (OMB) Circular A-136 for fair presentation of financial statements, commitments are not specifically defined or described in FASAB guidance. Both Chairman Scott and Mr. Dacey agreed that the Board should consider the need for a standard on commitments, potentially as part of the reexamination project. Staff has prepared the following preliminary research for Board consideration of a research project on the topic of commitments.

SUMMARY OF RESEARCH AND RECOMMENDATION

FASAB has issued pronouncements on specific types of commitments; however, there is no standard on general commitments. OMB A-136 includes guidance requiring federal agencies to disclose commitments related to “binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet and should be disclosed.” Staff believes that FASAB should consider developing an accounting standard that defines commitments and develops guidance on reporting general commitments.

STAFF RESEARCH

What are Commitments?

Staff’s research noted the following “commitments” definitions and reporting requirements by various standard-setters:

- The Financial Accounting Standards Board (FASB) establishes accounting and reporting standards for general commitments not specifically addressed in other topics in Accounting Standards Codification (ASC) 440, *Commitments*. ASC 440 requires the disclosure of significant commitments including the following:
 - a. Unused letters of credit,
 - b. Preferred stock dividends in arrears,
 - c. Commitments such as those for plant acquisition, and
 - d. Obligation to reduce debt, maintain working capital, or restrict dividends.

- The Government Accounting Standards Board (GASB) adopts the American Institute of Certified Public Accountants (AICPA) definition of commitments, which are defined as existing arrangements to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities. GASB requires the disclosure of construction and other significant commitments in notes to financial statements¹.
- The International Accounting Standards Board (IASB) and the International Public Sector Accounting Standards Board (IPSASB) currently do not have guidance on commitments.
- FASAB has not specifically defined “commitment” in its pronouncements. However, the Board has addressed specific types of commitments over the years in various Statements of Federal Financial Accounting Standards (SFFAS). Examples include:
 - Current Services Assessment (SFFAS 8, subsequently rescinded by SFFAS 25)
 - Social Insurance (SFFAS 17)
 - Public-Private Partnerships (SFFAS 49)

Current Federal Reporting on Commitments

The FY 2022 Financial Report (FR) of the U.S. Government discloses in Note 20 the following commitments in accordance with OMB Circular A-136 guidance²:

Commitments	FY 2022 <i>(in millions of dollars)</i>	FY 2021 <i>(in millions of dollars)</i>
Long-Term Operating Leases	42,200	37,600
Undelivered Orders	1,771,400	1,730,900
Other Commitments	549,200	560,400
Total	2,362,800	2,328,900

¹ See GASB Codification of Governmental Accounting and Financial Reporting Standards (Codification) 2300.801 [AICPA SLG 2002, ¶[8.82] and Codification 2300.106k, Constructions and other Significant Commitments.

² Source: FY 2022 FR available at <https://www.fiscal.treasury.gov/reports-statements/financial-report/current-report.html>. Amounts have been converted from billions to millions for presentation.

“Other Commitments” are consisting of the following:³

Other Commitments	Agency	FY 2022 <i>(in millions of dollars)</i>	FY 2021 <i>(in millions of dollars)</i>
Government-Sponsored Enterprises Senior Preferred Stock Purchase Agreements*	Department of the Treasury	254,100	254,100
U.S. Participation in the International Monetary Fund**	Department of the Treasury	146,400	162,600
Callable Capital Subscriptions for Multilateral Development Banks***	Department of the Treasury	127,888	125,610
Fuel Purchase Obligations	Tennessee Valley Authority	5,148	4,494
Commitments to Extend Loan Guarantees	Department of Agriculture	4,605	5,600
Power Purchase Obligations	Tennessee Valley Authority	2,536	2,369
	Department of Energy	645	568
Grant Programs – Airport Improvement Program	Department of Transportation	260	200
Other Purchase Obligations	United States Postal Services	5,613	2,233
	Department of Energy	620	773
	Tennessee Valley Authority	406	586

³ Detailed breakdown of “Other Commitments” provided by Treasury’s financial reporting team. Differences between these amounts and the reported amounts in the FR Note 20 are due to rounding.

	Department of Homeland Security	58	48
Total Other Commitments		548,279	559,181

The following are descriptions of the significant “Other Commitments” line items reported in Note 20 of the FR:

- *Government-Sponsored Enterprises (GSE), which includes Fannie Mae and Freddie Mac, are established to provide stability and increase liquidity in the secondary mortgage market and to promote access to mortgage credit throughout the nation. The amounts reported under Note 20 represent the maximum remaining potential commitments to the GSEs for the remaining life of the Senior Preferred Stock Purchase Agreements.
- **The government participates in the IMF through a quota subscription and certain borrowing arrangements that supplement IMF resources. The amounts reported under Note 20 represent the financial commitment under the U.S. quota and borrowing arrangements.
- ***The government has callable subscriptions in certain multilateral development banks (MDB), which are international financial institutions that finance economic and social development projects in developing countries. Callable capital in the MDBs provide supplemental resources that can be used by the MDBs to obtain favorable financing terms when borrowing from international capital market. There has never been a call and none is anticipated.

Commitments Reporting Previously Required by FASAB (*rescinded*)

Current Services Assessment (CSA) - In June 1996, the Board issued SFFAS 8, *Supplementary Stewardship Reporting*. Chapter 8 of SFFAS 8 established reporting standards on CSA, which required the reporting as Required Supplementary Stewardship Information the future receipts and outlays from future activities based on the President’s projections of future activities pursuant to current law to assess the sufficiency of future resources to sustain public services and to meet obligations as they become due.

Because SFFAS 8 defines the CSA by reference to information published in the President’s Budget, inclusion of the CSA information in the annual consolidated financial report of the U.S. Government (CFR) would no longer be feasible when the CFR was expected to be published before the President’s Budget. The Board noted in SFFAS 25 basis for conclusions that in order to continue requiring CSA as part of the CFR, the Board would need to develop different criteria for projections. The Board also noted that similar published projections by OMB, CBO, and others are available and

continue to be available. For these reasons, the Board eliminated the requirement to report CSA in SFFAS 25, *Reclassification of Stewardship Responsibilities and Eliminating the Current Services Agreement*.

NEXT STEPS

Depending on the Board's decision during the August 2023 meeting, staff will continue the research on commitments.

TOPIC E: TECHNICAL AGENDA REVIEW
PROPOSED FY 2024 FASAB PROJECT SCHEDULE
ATTACHMENT 3

[illegible]

Legend	
RE	Research Phase
DE	Development/Exposure Draft Phase
FI	Finalization Phase
IS	Issuance