

## Memorandum

### Non-Agenda Topics

October 4, 2023

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

### INTRODUCTION

Staff is providing project updates on all active projects currently on the Board's technical agenda that will not be discussed at the October 2023 meeting.

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

- Commitments
- Intangible Assets Working Definition
- Land Implementation
- Leases Implementation
- Management's Discussion and Analysis
- Omnibus Concepts Amendments
- Reexamination of Existing Standards

### REQUEST FOR FEEDBACK

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

### ATTACHMENTS

1. Project updates

# Project Updates

## Non-Agenda Topics

October 4, 2023

Attachment 1

### COMMITMENTS

At the August 2023 meeting, staff presented to the Board staff's preliminary research on the current reporting of commitments by federal reporting entities as required by OMB Circular A-136. Staff also include research on other standard setters' requirements on reporting commitments. The Board agreed to add commitments as a Board research project. Staff is gathering additional information on commitments for Board consideration.

### INTANGIBLE ASSETS WORKING DEFINITION

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

### LAND IMPLEMENTATION

No change from the August update. As required, staff continues to assist reporting entities by providing technical advice concerning SFFAS 59 implementation. For example, in June, an entity questioned whether SFFAS 59 could lead to a reclassification of G-PP&E Land to Stewardship Land based on how its mission is defined. Staff advised that SFFAS 59 does not require such a reclassification although, entities would be permitted to properly report land categories (G-PP&E Land and SL) based on changed mission requirements. Moreover, changed mission requirements or said reinterpretations could be reflected in the Statement's sub-categories reflecting the land's predominant use.

As last reported, GAO (1) continues to meet with the major federal land holding entities and their auditors to understand the implementation of SFFAS 59 and (2) is working to finalize audit guidance relating to SFFAS 59, in cooperation with CIGIE that could be used for the fiscal years 2024-2025 audits of federal entities' financial statements.

## LEASES IMPLEMENTATION

At the August 2023 meeting, members reviewed a compendium of comment letters responding to the Board's exposure draft (ED), *Transitional Amendment to SFFAS 54*, along with staff's analysis and recommended changes to the proposed amendments.

The Board approved the proposed SFFAS following the August meeting. In accordance with the Board's Rules of Procedure, the proposed SFFAS is undergoing congressional and sponsor review prior to final issuance. The projected issuance date is November 30, 2023.

Following the September 2023 AAPC meeting, the Committee unanimously approved proposed Technical Release (TR) 22, *Leases Implementation Guidance Updates*.

On September 29, 2023, staff submitted the proposed TR to the Board for a 45-day review period. The Board may, however, affirmatively approve the TR before the expiration of the 45-day review period. If any FASAB member requests that a proposed TR be considered at a Board meeting, the affirmative approval review period will terminate and restart the day following the Board meeting in which the proposed TR is discussed.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

On September 7, 2023, FASAB issued an Exposure Draft, Management's Discussion and Analysis, Rescinding and Replacing SFFAS 15. The proposed standards would update the guidance for management's discussion and analysis (MD&A). This proposal would provide a comprehensive set of standards to guide management in how to present an MD&A that is balanced, integrated, concise, and understandable about the reporting entity's organization and mission; financial position and condition; operating performance, opportunities, and risks; and systems, internal controls, and compliance with applicable laws and regulations. The Board proposes these standards to provide a principle-based approach that would merge and update relevant content from SFFAC 3 and SFFAS 15 and is consistent with FASAB's reporting objectives for budgetary integrity, operating performance, stewardship, and systems and controls. Comments are requested by December 7, 2023.

## OMNIBUS CONCEPTS AMENDMENTS

On August 25, 2023, FASAB issued an Exposure Draft, *Omnibus Concepts Amendments*. This proposal would identify a set of principles for the Board to use to reduce repetition and improve relevance, clarity, comparability, and consistency of note disclosures. This proposal would also consolidate guidance for the Board on developing management's discussion and analysis (MD&A) standards by rescinding SFFAC 3, *Management's Discussion and Analysis*, and amending paragraph 69 of SFFAC 2, *Entity and Display*. Comments are requested by November 27, 2023.

## REEXAMINATION OF EXISTING STANDARDS

Responses to FASAB's Invitation to Comment, *Reexamination of Existing Standards*, were due September 15, 2023. To date, FASAB has received 22 responses and we anticipate a few more responses. Board members may view the comments letters online at [Reexamination of Existing Standards – Comment Letters – fasab.gov](#). Staff is currently preparing an analysis of the comments received to assist the Board in prioritizing issues and an approach at the December 2023 meeting.

Staff would also like to encourage Board members to provide feedback on areas that they believe should be considered for reexamination. Staff would like to include a section in the analysis for areas identified by Board members and FASAB staff. Feel free to submit any comments directly to Melissa Batchelor at [batchelorm@fasab.gov](mailto:batchelorm@fasab.gov).