

Questions for Respondents**Responses Due: September 15, 2023**

Invitation to Comment
Reexamination of Existing Standards

Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select “individual.”

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

FASAB GAAP HIERARCHY QUESTIONS

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

Neither Agree nor Disagree

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

DOE suggests that other accounting literature, as described in paragraph 8, be included in the primary hierarchy listed in paragraph 5 as subparagraph 5(e). This will help clarify other accounting literature can be utilized when FASAB guidance does not address a particular accounting scenario. For example, DOE utilizes FASB standards for reporting the assets and liabilities associated with private-sector pension and benefits plans that are included as DOE assets and liabilities for the purposes of financial reporting.

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

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Neither Agree nor Disagree

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

See response to question 1.1 regarding the explicit integration of other accounting literature into the hierarchy.

REEXAMINATION OF FASAB STANDARDS QUESTION

QUESTION 2: Below are the 23 reexamination topic areas for which the Board is requesting your response. Respondents may review [Appendix A: Reexamination Table of Pronouncements](#)¹ in its entirety for a full understanding. **For each reexamination topic (column 1), please indicate the priority level for reexamination from the following options:**

(1) High priority: topic and related SFFASs are of significant concern and should be included in the reexamination with priority. Please provide **no more than five** high priority topics.

(2) Medium priority: topic and related SFFASs are of concern and should be included in the reexamination, but after high priority topics are addressed.

(3) Low priority: topic and related SFFASs are not of concern and do not need to be reexamined at this time.²

Please explain your response, including specific details³ and examples to support your rationale, especially those ranked high priority and medium priority. Provide information (including specific SFFAS references where appropriate) that would help the Board understand why the reexamination of a particular SFFAS might take precedence or be considered more important than other SFFASs. To accomplish this, the Board is seeking feedback from respondents on where they believe there are opportunities for the Board to improve guidance within the 23 reexamination topics. This includes the following potential improvements:

- Streamlining authoritative guidance
- Eliminating or revising unclear requirements
- Eliminating disclosures and other required information that may no longer benefit users

¹ [Appendix A: Reexamination Table of Pronouncements](#) provides more details regarding how the 61 SFFASs result in 23 reexamination topics for consideration.

² The Board anticipates that the topics for reexamination will need to be reassessed in the future.

³ For example, respondents may offer detail in terms of materiality, audit findings, cost-benefit, or other significant information to explain the need for reexamination of the SFFAS.

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- Filling gaps in the standards where the guidance either does not address or does not adequately address areas where federal financial reporting objectives are not being met
- Resolving inconsistencies in current practice
- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns
- Considering overlaps or redundancy in requirements

Please be explicit regarding opportunities to eliminate or revise requirements, whether those are in the standards or elsewhere. Stakeholder feedback will give the Board insight on respondent's views on these matters.

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

No Comment

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

No Comment

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

No Comment

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

No Comment

Topic #5	SFFAS 5, Accounting for Liabilities of The Federal Government AS AMENDED BY: SFFAS 12 , SFFAS 25
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	Interpretation 2 , Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5 Interpretation 4 , Accounting for Pension Payments in Excess of Pension Expense TB 2002-1 , Assigning to Component Entities Costs and Liabilities that Result from Legal Claims Against the Federal Government TB 2017-1 , Intragovernmental Exchange Transactions
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Low Priority**No Comment**

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

DOE requests changes to or clarifications of FASAB's guidance regarding environmental liabilities, including Technical Release 2, Determining Probably and Reasonably Estimable for Environmental Liabilities in the Federal Government. Specifically, DOE requests:

- a) Clarifications regarding the use of contingencies in estimates of environmental liabilities, and
- b) Clarifications on time period for which cleanup liabilities are deemed to be reasonably estimable.

Additionally, DOE offices noted the general difficulty of applying the FASAB guidance on this topic that is spread among nine different publications. FASAB should rescind all of them and issue a revised SFFAS 6 with current requirements.

Topic #7	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 Interpretation 5 , Recognition by Recipient Entities of Receivable Nonexchange Revenue: An Interpretation of SFFAS 7 Interpretation 11 , Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313 TB 2002-2 , Disclosures Required by Paragraph 79(g) of SFFAS 7 Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting TB 2017-1 , Intragovernmental Exchange Transactions
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Low Priority

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No Comment

Topic #8	SFFAS 10 , <i>Accounting for Internal Use Software</i>
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High Priority

DOE offices noted the general difficulty of applying the standard as written and recommended that the standard be reevaluated to simplify requirements and thus promote a consistent interpretation. The standard can expand more upon cloud computing arrangements and shared services.

DOE offices also noted the general difficulty of applying FASAB guidance when it consists of multiple, overlapping standards, bulletins, and interpretations. For this topic, FASAB should rescind SFFAS 10 and reissue a standard that updates and simplifies the internal use software guidance while providing clarity on requirements relating to cloud computing arrangements and shared services.

	SFFAS 15 , <i>Management's Discussions and Analysis</i> ⁴
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No Comment

Topic #9	SFFAS 17 , <i>Accounting for Social Insurance</i> AS AMENDED BY: SFFAS 26 , SFFAS 37
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Low Priority**No Comment**

Topic #10	SFFAS 24 , <i>Selected Standards for the Consolidated Financial Report of the United States Government</i> SFFAS 32 , <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>
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Low Priority**No Comment**

Topic #11	SFFAS 27 , <i>Identifying and Reporting Funds from Dedicated Collections</i> AS AMENDED BY: SFFAS 43
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⁴ SFFAS 15, *Management's Discussions and Analysis*, is excluded from reexamination because the SFFAS is currently being reviewed under an active Board project. Respondents may provide general comments and feedback for the Board's consideration.

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High Priority

No comment as of 10/13/23. DOE plans to submit a revised response for this topic once a consensus has been reached internally.

Topic #12	SFFAS 29 , <i>Heritage Assets and Stewardship Land</i>
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Low Priority**No Comment**

Topic #13	SFFAS 31 , <i>Accounting for Fiduciary Activities</i>
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Low Priority**No Comment**

Topic #14	SFFAS 33 , <i>Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</i>
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Low Priority**No Comment**

Topic #15	SFFAS 34 , <i>The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</i>
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High Priority

As noted in response to question 1.2, DOE suggests that other accounting literature, as described in paragraph 8, be included in the primary hierarchy listed in paragraph 5 as subparagraph 5(e). This will help clarify other accounting literature can be utilized when FASAB guidance does not address a particular accounting scenario. For example, DOE utilizes FASB standards for reporting the assets and liabilities associated with private-sector pension and benefits plans that are included as DOE assets and liabilities for the purposes of financial reporting.

Topic #16	SFFAS 36 , <i>Comprehensive Long-Term Projections for the U.S. Government</i>
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Low Priority**No Comment**

Topic #17	SFFAS 38 , <i>Accounting for Federal Oil and Gas Resources</i> TB 2011-1 , <i>Accounting for Federal Natural Resources Other Than Oil and Gas</i>
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Low Priority

No Comment

Topic #18	SFFAS 39 , <i>Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</i>
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Low Priority

No Comment

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

No Comment

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

No Comment

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

No Comment

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

No Comment

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

No Comment

	SFFAS 54 , <i>Leases</i> ⁵ AS AMENDED BY: SFFAS 57 , SFFAS 60 , SFFAS 61
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⁵ SFFAS 54, *Leases*, is excluded from the reexamination project because the SFFAS is not yet effective. Respondents may provide general comments and feedback for the Board's consideration.

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	TB 2023-1 , <i>Intragovernmental Leasehold Reimbursable Work Agreements</i>
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No Comment

	SFFAS 56 , <i>Classified Activities</i> ⁶ Interpretation 8 , <i>An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities</i>
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No Comment

	SFFAS 59 , <i>Accounting and Reporting of Government Land</i> ⁷
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No Comment

⁶ SFFAS 56, *Classified Activities*, is excluded from the reexamination project due to the topic. Respondents may provide general comments and feedback for the Board's consideration.

⁷ SFFAS 59, *Accounting and Reporting of Government Land*, is excluded from the reexamination project because the SFFAS is not yet effective. Respondents may provide general comments and feedback for the Board's consideration.