

Memorandum

Non-Agenda Topics

April 7, 2025

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

OBJECTIVE

Staff is providing project updates on all active projects currently on the Board's technical agenda and research topics that will not be discussed at the April 2025 meeting.

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

Technical Agenda Projects

- Intangible Assets Guidance
- Leases Post-implementation
- Management's Discussion and Analysis
- Reexamination
 - o Commitments
 - o Direct Loans & Loan Guarantees
- Software Technology

Research Topics

- Climate-related Financial Reporting
- Revenue Reexamination

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 April. Members may provide input and submit follow-up questions on any of these topics to the related staff member at any time.

ATTACHMENT

1. Updates

Updates

Non-Agenda Topics

April 7, 2025

Attachment 1

TECHNICAL AGENDA PROJECTS

INTANGIBLE ASSETS GUIDANCE

At the February 2025 meeting, the Board agreed with staff's recommended concepts amendments for both SFFAC 2, *Entity and Display*, and SFFAC 5, *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements*, to address intangible assets at a minimal and high level. Additionally, the Board agreed with staff's recommended scope, definition, and recognition language for intangible asset standards.

Based on deliberations, staff will consider minor edits to the concepts and continue to research and recommend accounting guidance for intangible asset standards. Staff will develop a draft exposure draft for the agreed upon intangible asset concepts amendments in an omnibus concepts amendment Statement for the Board to consider in the future.

LEASES POST-IMPLEMENTATION

As of April 3, staff has received six formal technical inquiries on leases during the fiscal year. Staff has addressed 29 informal and narrow-scope inquiries during the fiscal year. These inquiries are generally readily answerable based on the requirements of SFFAS 54 and Technical Release 20, *Implementation Guidance for Leases*. Common inquiry topics include paragraphs 14-21 (lease term topic area) and 96-98 (implementation topic area, including the transitional amendments). No leases technical inquiries were submitted during the second quarter.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SFFAS 64: *Management's Discussion and Analysis, Rescinding and Replacing SFFAS 15* was issued on September 27, 2024. Staff is providing training to agencies to transition MD&A reporting from SFFAS 15 to SFFAS 64 from February – May 2025. Between February and March 2025, staff provided 12 trainings for 352 participants with 635 free CPEs. The following is a chart with the agencies trained by staff during this period.

Date	Agency	Participants
2/4/2025	National Geospatial-Intelligence Agency (NGA) - hosted other intelligent agencies	31
2/13/2025	Department of Defense (DOD) hosted DOD Components	52
2/18/2025	General Services Administration (GSA)	20
2/27/2025	Department of Interior	9
3/4/2025	Health and Human Services (HHS) hosted National Labor Relations Board (NLRB) & National Reconnaissance Office (NRO)	25
3/6/2025	Social Security Administration (SSA)	12
3/11/2025	Department of Homeland Security (DHS)	108
3/13/2025	Treasury hosted U.S. Agency for Global Media (USAGM)	50
3/17/2025	Department of Energy (DOE)	13
3/18/2025	Small Business Administration (SBA)	8
3/20/2025	U.S. International Development Corporation (DFC)	9
3/25/2025	Department of Justice (DOJ)	15

REEXAMINATION: COMMITMENTS

At the February 2025 meeting, the Board approved the commitments project plan. Staff is meeting with agencies reporting commitments according to OMB guidance, to learn about how agencies collect the commitments information, the method of determining the commitments amount, the level of effort involved, whether there is confusion between commitments and contingencies, and issues and concerns the agencies may have. Staff is also preparing for the commitments task force by releasing the call for volunteers to join the task force. The first task force meeting is planned for early May 2025.

REEXAMINATION: DIRECT LOANS AND LOAN GUARANTEES

At the February 2025 meeting, the Board approved the direct loans and loan guarantee disclosure project plan and the proposed next steps. The next steps for this project are continuing research efforts into loan disclosures being reported by agencies and forming a credit reform task force.

Staff is in the process of scheduling and holding outreach meetings with various stakeholders including congressional subcommittees. Staff is also gathering credit reform experts to present to the Board at a credit reform educational session panel at the June 2025 meeting. Additionally, staff is reaching out to members across the federal financial community with expertise and interest in credit reform to join the task force.

SOFTWARE TECHNOLOGY

At the February 2025 meeting the majority of members generally agreed with staff's recommendation to apply the software license accounting framework, which the Board had approved during the December 2024 meeting, to shared services. Additionally, the Board agreed with the following recognition framework for shared software code: "Reporting entities should not recognize software acquired from other federal entities at no cost. However, reporting entities should recognize costs incurred to further develop or enhance the software if such costs result in a distinct internal use software component with significant additional capabilities."

The Board agreed to move forward in the project but further research the costs and benefits of recognizing shared service assets, particularly for challenges with eliminating intragovernmental transactions for government-wide reporting. Staff is further researching potential challenges of accounting for shared service assets and is coordinating with the working group to identify challenges with applying existing guidance for internally developed software in SFFAS 10, *Accounting for Internal Use Software*.

RESEARCH TOPICS

CLIMATE-RELATED FINANCIAL REPORTING

At the October 2024 meeting, the Board agreed to move the climate-related financial reporting project from an active project to a research topic since the two phases addressing the project objective were complete as follows. No additional updates.

REVENUE REEXAMINATION

At the August 2024 meeting, the Board added Revenue reexamination as a research topic. Staff will be preparing a research plan for the Board's consideration. Prior to developing this plan, however, staff is reaching out to certain ITC respondents to obtain clarification and receive updates on the status of the high-priority issues raised in their comment letters. This follow-up will help staff design an appropriate research plan and facilitate the Board's review of that plan. Follow-up with certain key ITC respondents remains in process.