

## Memorandum

### Land – SFFAS 59

August 6, 2025

To: Members of the Board  
From: Domenic N. Savini, Assistant Director  
Thru: Monica R. Valentine, Executive Director  
Subject: **Technical Clarifications: SFFAS 59 – Exposure Draft Comments** (Topic A)

#### INTRODUCTION

On July 3, 2025, the Board released for public comment an exposure draft on a proposed Technical Bulletin (TB) titled, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*. For this meeting, staff is providing an analysis of comment letter feedback along with recommended updates to the draft TB.

#### REQUEST FOR FEEDBACK BY August 13, 2025

**Prior to the Board's August meeting**, please review the attached draft TB and accompanying analysis and respond to the questions by August 13, 2025.

#### NEXT STEPS

**Pending Board feedback**, staff will request Board approval to issue the technical bulletin at the August meeting if there are no remaining edits or issues for the Board to deliberate. Otherwise, staff will provide an updated draft for further discussion shortly after the August meeting. Please note that the Board does not vote on the issuance of TBs which are issued absent an objection from a majority of members. Members are afforded a 15-day review, and a TB is issued only if a majority of the FASAB members do not object either to the guidance or to communicating that guidance in a Technical Bulletin before the end of the review period.

#### ATTACHMENTS

1. Staff Analysis
2. [Respondent Comment Letters](#)
3. Technical Bulletin 2025-X, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* - **Tracked Version**
4. Technical Bulletin 2025-X, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* - **Clean Version**

# Staff Analysis

## Land – SFFAS 59

August 6, 2025

### CONTEXT

#### Background

#### Exposure Draft Comment Letters

On July 3, 2025, the Board released an exposure draft of the proposed TB titled, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*, with public comments due July 18, 2025.

The Board received eight comment letters in response to the exposure draft from the following sources:

	FEDERAL	NON-FEDERAL	TOTAL
Associations	0	1	1
Auditors/Accounting Firms	0	1	1
Preparers and financial managers	6	0	6
Individuals	0	0	0
Others	0	0	0
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>

Staff requests that members read the comment letters prior to reviewing the staff analysis and recommendations. Comment letters are posted at <https://fasab.gov/board-activities/documents-for-comment/technical-clarifications-sffas-59-accounting-and-reporting-of-government-land/>

#### Research

Staff reviewed comment letters and followed up with a few of the comment letter respondents to further understand some of their specific comments on the exposure draft. Staff will address these items in the analysis.

### RECOMMENDATIONS AND ANALYSES

The comment letters showed overwhelming support for each aspect of the proposed TB. Out of the eight comment letters received, only one respondent disagreed, and another chose not to reply to the first question regarding categorizing general property, plant, and equipment (G-PP&E) land and stewardship land based on intent or intended purpose. Several respondents also provided thoughts and suggestions for the Board's consideration.

Based on the public feedback and staff's analysis, staff is recommending the following updates to the TB:

1. Changes were made to Paragraphs 5 and 6 reflecting that when the acquisition of land is known and can be substantiated, it is a criterion in addition to “intent” when categorizing land between G-PP&E and stewardship.
2. Specifically incorporating Technical Release 9 paragraphs 81-83 into the TB at paragraph 16, footnote 10.
3. Deleting a sentence causing confusion at paragraph A4 regarding land definitions.
4. Clarifying at Paragraph 13 that permanent land rights associated with land do not need a separate estimate for acres.

Staff will address the public responses for the seven QFR's in the following analysis along with staff recommendations. Attachment 2 provides the public comment letters. Attachment 3 shows all recommended TB updates in tracked changes whereas Attachment 4 is the clean version.

## QFR ANALYSIS AND STAFF RECOMMENDATIONS

### Responses to QFR 1

***QFR 1: The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.***

***Do you agree or disagree? Please provide the rationale for your answer.***

QFR 1 - Summary of Responses			
Resp. #	Agree	Disagree	N/A
1– Interior/BoR		X	
2– Treasury	X		
3- VA	X		
4-- EY			X
5- GSA	X		
6-Commerce	X		
7-DHS	X		
8- AGA	X		
Total	6	1	1

Out of 8 responses received for QFR 1, 6 respondents agreed, 1 respondent disagreed and 1 provided no comment.

### Respondent Comments

The respondent disagrees with the proposed clarification in the Technical Bulletin related to the categorization of G-PP&E versus Stewardship Land stating that:

- SFFAS 6 Paragraph 17 indicates G-PP&E land is defined by original intent for use in operations at acquisition
- SFFAS 29 Paragraph 33 defines public domain land as stewardship land
- SFFAS 59 Paragraph 4.a (amending SFFAS 6 Paragraph 25) specifically excludes withdrawn public lands from G-PP&E.

Therefore, in their view, the TB (particularly paragraphs 5 and 6) is inconsistent with prior standards which require that classification between G-PP&E and stewardship land should be based on the intent at original acquisition, not the current reason the entity is

managing or holding the land in question.

### Staff Recommendation #1

**Staff recommends (1) retention of “current intent” as a factor when determining land categorization and (2) mutually agreed-to changes to the proposed TB guidance based on subsequent technical discussion with Respondent #1.** These changes would clarify how the categorization of land should consider the acquisition provenance or history as well as current intent. Staff’s rationale to retain “current intent” follows:

- **Broad Consensus Among Respondents** - Six of the seven respondents, five of which are preparers agree with the QFR 1 proposal.
- **Standards Do Not Mandate Original Intent** - Neither SFFAS 6 nor SFFAS 29 (both as amended) specifically require that land classification be based on original intent. Instead, references to “intent” are in general terms related to purpose or use. Therefore, the proposed TB posits that original acquisition history may inform but not dictate categorization.
- **The Proposed TB Clarifies and Does Not Rewrite SFFAS 6 or SFFAS 29** - Paragraphs 5 and 6 of the proposed TB do not rewrite the standards; they provide clarity in response to post-implementation issues observed during the transition period for SFFAS 59. These paragraphs specify that G-PP&E land vs. stewardship land categorization are to be based on current intent or current purpose, while sub-categorization is based on actual predominant use.
- **The Proposed TB Aligns with Existing Guidance on Intent** - The proposed TB guidance is consistent with SFFAS 6, paragraph 17 which states that PP&E is acquired or constructed “with the intention of being used or being available for use by the entity.” The proposed TB clarifies that although “acquired” and “intention” appear together in paragraph 17, current management intention and not historical intent, is key in determining categorization.
- **Categorization Does Not Depend on Original Intent** - The SFFAS 59, paragraph 4a. exclusion of *withdrawn* public lands from G-PP&E land recognizes, as noted at footnote 29.1, that public lands may be *withdrawn* from the public domain for specific uses. As such, lands *withdrawn* from the public domain are not included as part of G-PP&E land and would be appropriately categorized as stewardship land. This does not preclude the categorization of other lands that may be historically part of federal ownership or control (that is, public domain) as G-PP&E land if the entity currently holds them for operational use.

Therefore, while some might view the SFFAS 59 exclusion of public domain land as evidence of “original intent or purpose”, a broader reading recognizes that (1) only *withdrawn public lands* are excluded, i.e. not all public lands and (2) what constitutes the public domain is not static and is subject to change. In staff’s understanding, this is consistent with *The Federal Land Policy and Management Act* (FLPMA) that defines ownership and control (policies) separate from acquisition history. In staff’s opinion, generalizing that by virtue of paragraph 4a. excluding *withdrawn public lands* from G-PP&E land, inclusion (categorizing land either as G-PP&E or stewardship) must therefore depend on original intent is a mistaken concept and inconsistent with SFFAS 59.

- **The Proposed TB Enhances Relevance and Understandability** - The proposed TB enhances the qualitative characteristics of relevance and understandability by clarifying that categorization should be based on current management intent or purpose. Limiting categorization to original intent could lead to misrepresentations, for example, in cases where land initially designated as stewardship is later repurposed for operational uses.

### **Follow-up Meetings**

Staff worked with Respondent #1 to address their concerns and revised the proposed guidance to reflect:

1. their concurrence that existing standards do not mandate original intent,
2. agreement that “current intent” cannot apply to public domain land,
3. agreement that when categorizing land as stewardship or G-PP&E, if reasonably available, the method of acquisition takes precedence over “intention”, and
4. agreed-to edits to Paragraphs 5 and 6. Refer to Attachment 3, Technical Bulletin 2025-X, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* - Tracked Version.

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

1. Does the Board agree with staff’s recommendation related to QFR 1? Staff recommends (1) retention of “current intent” as a factor when determining land categorization and (2) mutually agreed-to changes to the proposed TB guidance based on subsequent technical discussion with Respondent #1.

## Responses to QFR 2

**QFR 2:** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

*Do you agree or disagree? Please provide the rationale for your answer.*

QFR 2 - Summary of Responses			
Resp. #	Agree	Disagree	N/A
1– Interior/BoR	X		
2– Treasury	X		
3- VA	X		
4-- EY	X		
5- GSA	X		
6-Commerce	X		
7-DHS	X		
8- AGA	X		
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>

All the 8 responses received for QFR 2, agreed with the proposal.

### Respondent Comments

Notwithstanding certain respondents seeking additional guidance for certain situations, respondents provided unanimous support for QFR 2. Refer to QFR 7 for related comments provided by respondents.

### Staff Recommendation #2

Staff recommends no further changes to the TB guidance.

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

2. Does the Board agree with staff's recommendation related to QFR 2?

## Responses to QFR 3

***QFR 3: The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, Accounting for Property, Plant, and Equipment. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.***

***Do you agree or disagree? Please provide the rationale for your answer.***

QFR 3 - Summary of Responses			
Resp. #	Agree	Disagree	N/A
1– Interior/BoR	X		
2– Treasury	X		
3- VA	X		
4-- EY	X		
5- GSA	X		
6-Commerce	X		
7-DHS	X		
8- AGA	X		
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>

All the 8 responses received for QFR 3, agreed with the proposal.

### Respondent Comments

Notwithstanding certain respondents seeking additional guidance for certain situations, respondents provided unanimous support for QFR 3. Refer to QFR 7 for related comments provided by respondents.

### Staff Recommendation #3

Staff recommends no further changes to the TB guidance.

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

3. Does the Board agree with staff's recommendation related to QFR 3?



## Responses to QFR 4

***QFR 4: The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.***

***Do you agree or disagree? Please provide the rationale for your answer.***

QFR 4 - Summary of Responses			
Resp. #	Agree	Disagree	N/A
1– Interior/BoR	X		
2– Treasury	X		
3- VA	X		
4-- EY	X		
5- GSA	X		
6-Commerce	X		
7-DHS	X		
8- AGA	X		
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>

All the 8 responses received for QFR 4, agreed with the proposal.

### Respondent Comments

Notwithstanding certain respondents seeking additional guidance for certain situations, respondents provided unanimous support for QFR 4. Refer to QFR 7 for related comments provided by respondents.

### Staff Recommendation #4

Staff recommends no further changes to the TB guidance.

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

4. Does the Board agree with staff's recommendation related to QFR 4?

## Responses to QFR 5

***QFR 5: The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.***

***Do you agree or disagree? Please provide the rationale for your answer.***

QFR 5 - Summary of Responses			
Resp. #	Agree	Disagree	N/A
1– Interior/BoR	X		
2– Treasury	X		
3- VA	X		
4-- EY	X		
5- GSA	X		
6-Commerce	X		
7-DHS	X		
8- AGA	X		
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>

All the 8 responses received for QFR 5, agreed with the proposal.

### Respondent Comments

Notwithstanding certain respondents seeking additional guidance for certain situations, respondents provided unanimous support for QFR 5. Refer to QFR 7 for related comments provided by respondents.

### Staff Recommendation #5

Staff recommends no further changes to the TB guidance.

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

5. Does the Board agree with staff's recommendation related to QFR 5?

## Responses to QFR 6

***QFR 6: The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.***

***Do you agree or disagree? Please provide the rationale for your answer.***

QFR 6 - Summary of Responses			
Resp. #	Agree	Disagree	N/A
1– Interior/BoR	X		
2– Treasury	X		
3- VA	X		
4-- EY	X		
5- GSA	X		
6-Commerce	X		
7-DHS	X		
8- AGA	X		
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>

All the 8 responses received for QFR 6, agreed with the proposal.

### Respondent Comments

Notwithstanding certain respondents seeking additional guidance for certain situations, respondents provided unanimous support for QFR 6. Refer to QFR 7 for related comments provided by respondents.

### Staff Recommendation #6

Staff recommends no further changes to the TB guidance.

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

6. Does the Board agree with staff's recommendation related to QFR 6?

## Responses to QFR 7

*QFR 7: Do you wish to comment on any other aspects of this proposal?*

QFR 7 - Summary of Responses (Abbreviated: see Letters for complete text)	
Respondent Abbreviated Comments	
<b>1– Interior / BoR</b>	<p>The respondent noted the following in QFR 6:</p> <p>Paragraph 16 of the TB incorporates paragraph 85 of TR 9 but do not see where in the TB paragraphs 81 to 83 are incorporated. These paragraphs provide the historical justification for not having documentation available but do not see where that type of historic information is incorporated to the TB. Suggest including a footnote to reference these additional paragraphs.</p> <p><b>Staff Recommendation – Staff Concurs. Please see the added footnote in the revised TB. (DM 2533630). On 30 July 2025 the respondent concurred with the recommended staff edits.</b></p>
<b>3- VA</b>	<p>The respondent noted the following areas for additional guidance:</p> <ol style="list-style-type: none"> <li>1. Predominant use of land and what threshold or criteria should be used in making this determination.</li> <li>2. The type of documentation appropriate to support predominant use.</li> <li>3. Reporting land categorization or usage changes such as between fiscal years.</li> <li>4. When agencies should include or exclude submerged land.</li> <li>5. Accounting for land improvements and gains or losses due to derecognition of G-PP&amp;E land.</li> <li>6. Guidance to determine the thresholds for materiality and capitalization policies.</li> </ol> <p><b>Staff Recommendation – No action to be taken at present.</b></p> <p><b>Items 1,2 and 6 have been extensively reviewed since the inception of the land project and even before, as evidenced by SFFAS 29 and TR9. Regarding predominant use issues, they have also been recently addressed by the Board at the April and June 2025 meetings. The Board concluded that the auditor issues related to predominant use and materiality were non-accounting related and beyond the Board’s remit, respectively (re: June 6, 2025, Topic A, SFFAS 59 Briefing memorandum).</b></p>

**QFR 7 - Summary of Responses (Abbreviated: see Letters for complete text)**

Concerning items 3, 4 and 5, staff believes that sufficient guidance exists for most cases to assist preparers in exercising their professional judgment. Regarding items 4 and 5, with the exception of derecognition, the majority of respondents seem to agree that the proposed TB adds clarity and provides direction for the reporting of submerged land and land improvements. Questions concerning any unlikely or unforeseen gains/losses an agency suspects arises from the derecognition of G-PP&E land should be brought to the attention of Treasury's Bureau of Fiscal Services.

**4-- EY**

The respondent noted the following:

1. Within footnote 2 in paragraph 6 of the proposed TB, the reference to SFFAS 6 paragraph 17 should instead reference SFFAS 6 paragraph 25, as this is the paragraph that addresses land and land rights in G-PP&E.

**Staff Recommendation – Partially concur.** The paragraph 17 reference is appropriate since it supports that G-PP&E land and stewardship land are PP&E asset categories. However, staff acknowledges that the footnote should be moved to best reflect the reference and agrees that SFFAS 6 paragraph 25 would enhance the overall discussion concerning G-PP&E land and stewardship land categorizations.

**Please see the edits and added footnote in the revised TB. (DM 2533630)**

2. While paragraph 6 of the proposed TB indicates the G-PP&E classification should be based on intent, this concept is not present in either SFFAS 6 paragraph 17 or 25.

**Staff Recommendation – Non-Concur. Refer to the Staff Recommendation #1 regarding QFR 1.**

3. We believe the sentences in paragraph 8 concerning aggregation, assignment and grouping, as well as a process to estimate total acreage, should be removed as they are not relevant to the question posed in paragraph 7.

**Staff Recommendation – Non-Concur.** The intent of the paragraph 8 references are to remind practitioners that preparers have the flexibility and discretion when determining such things as boundaries, parcels, lots, etc. Such flexibility extends to non-OCS submerged lands such as lakes, rivers, watersheds, etc.

QFR 7 - Summary of Responses (Abbreviated: see Letters for complete text)	
	<p>4. We believe it would be helpful for the Board to clarify in paragraph 13 whether the acres associated with permanent land rights should be included in the disclosure for acreage.</p> <p><b>Staff Recommendation – Concur. Clarify that PLRs associated with land do not need a separate estimate for acres. Please see the edits and added footnote in the revised TB. (DM 2533630)</b></p> <p>5. We encourage the Board to consider how moving the disclosure of land acreage from the required supplementary information to the footnotes will impact federal entities and the audit of those entities.</p> <p><b>Staff Recommendation – Reserved.</b></p>
7-DHS	<p>The respondent noted the following:</p> <p>DHS also recommends that FASAB and OMB reconsider the current plan to transition this disclosure to notes in FY 2026. We believe this recommendation is closely aligned with the recent OMB memorandum that attempts to bring the federal financial reporting model closer to what the readers (citizens) really care about – i.e., how tax dollars are spent, instead of on non-financial information that could only drive up the cost of preparing and auditing agency financial statements.</p> <p><b>Staff Recommendation – Reserved.</b></p>
8- AGA	<p>The respondent noted the following:</p> <p>1. We were unsure how paragraph A4 relates to the question and answer posed by paragraphs 5 and 6. As written, paragraph A4 introduced some confusion about how to interpret paragraphs 5 and 6. Some members thought the second sentence of this paragraph could be more clear that in cases where there was an overlap in the definitions of stewardship land and G-PP&amp;E, that the land should continue to be classified as stewardship land.</p> <p><b>Staff Recommendation – Staff Concurs. Please see the suggested edits in the revised TB. (DM</b></p>

**QFR 7 - Summary of Responses (Abbreviated: see Letters for complete text)**

**2533630). Respondent agreed with staff edit on 1 August 2025.**

2. As a matter of protocol and to enhance the readability of standards, we would prefer that instead of referencing a paragraph in the basis for conclusions of a standard, that the Technical Bulletin instead include that content in its entirety in a way that reflects the technical guidance the Board wishes to convey.

**Staff Recommendation – Staff Concurs. Please see the added footnote in the revised TB. (DM 2533630). Refer to Respondent 1 Comments and Staff recommendation for related comments.**

3. We noticed that the TB had different paragraph numbers for the question and the answer. This appears to be a departure from recently issued TBs, which had one paragraph number for each question, inclusive of the answer.

**Staff Recommendation – Point Noted for Editorial Policy Review.**

4. Also, the comment period for this exposure draft was too short.

**Staff Recommendation – Point Noted.**

**Question for the Board:**

7. Does the Board agree with staff's recommendations related to QFR 7?

Staff requests the Board approve the TB for issuance.

Should the majority of members believe there are remaining edits or issues for the Board to deliberate, staff will provide an updated draft for further discussion shortly after the August 2025 meeting.

**Question for the Board:**

8. Does the Board agree with staff's recommendation to issue the TB with the aforementioned respondent edits? If not, what edits or issues remain to be deliberated?



## Listing of Respondent Comment Letters

Respondent #	Organization
1	Department of Interior / Bureau of Reclamation
2	Department of the Treasury
3	Department of Veterans Affairs
4	Ernst & Young LLP
5	General Services Administration
6	Department of Commerce
7	Department of Homeland Security
8	AGA Financial Management Standards Board

## ATTACHMENT 2

### Respondent Comment Letters

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

**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 [land@fasab.gov](mailto:land@fasab.gov). If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.*

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This proposed Technical Bulletin (TB) would assist reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*.

**QFR 1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Disagree with this new categorization of G-PP&E vs Stewardship land. Paragraphs 5 and 6 of the exposure draft seem to be changing the SFFAS reporting requirements for land classification. SFFAS 6 Paragraph 17 states G-PP&E has been acquired with the intention of being used or available for use. SFFAS 29 Paragraph 33 states public domain land is stewardship. SFFAS 59 Paragraph 4.a (amends paragraph 25 of SFFAS 6) states G-PP&E excludes withdrawn public lands. Thus, the categorization between G-PP&E and stewardship

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

is **not** based on why the entity is currently managing/holding the land. It is based on how the land was originally obtained.

Agree with the subcategories being based on predominate use.

**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

Agree. This will reduce preparer and audit burden. The amount of land submerged by non-OCS can fluctuate drastically over the years.

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Agree. This remains unchanged from previous SFFAS.

**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

Agree.

**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Partially agree. Third party land survey such as from state/local government take more time than the auditors allow and usually cost a fee that agencies more than likely aren't appropriated for. Historians, local communities, etc. also charge fees. Last year the auditors would not accept satellite imagery without knowing the source and they didn't allow much time to gather supporting documents.

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Paragraph 16 of the TB incorporates paragraph 85 of TR 9 but do not see where in the TB paragraphs 81 to 83 are incorporated. These paragraphs provide the historical justification for not having documentation available but do not see where that type of historic information is incorporated to the TB. Suggest including a footnote to reference these additional paragraphs.

**QFR 7.** Do you wish to comment on any other aspects of this proposal?

*Exposure Draft Technical Bulletin:*

*Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*



*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

**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 [land@fasab.gov](mailto:land@fasab.gov). If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.*

This proposed Technical Bulletin (TB) would assist reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*.

**QFR 1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Treasury agrees that the TB provides clarifying guidance that the categorization of stewardship land is based on the entity's intent or intended purpose, and that the determining factor of categorizing land is the reason why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period.

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**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

Treasury agrees with the proposed TB allowing management to exercise professional judgment when determining the cost-benefit and when evaluating preparer burden.

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Treasury agrees with the proposed TB providing clarity that land improvements should continue to be capitalized if they meet the entity's capitalization thresholds, such as roads and drainage systems when installed or significantly upgraded or altered.

**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Treasury agrees with the proposed TB that permanent land rights should be treated the same as land per SFFAS 59.



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**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Treasury agrees with the proposed TB allowing alternative methods to be used to support ownership and establish land acreage to match management's assertions.

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Treasury agrees with the proposed TB allowing alternative methods to be used to support ownership and establish land acreage to match management's assertions.

**QFR 7. Do you wish to comment on any other aspects of this proposal?**

Treasury has no further comments or suggestions to provide.

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**QFR 1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Agree. The categorization between G-PP&E land and stewardship land should be based on management's intent or intended purpose of owning the land. However, the standard should include guidance on the following:

- How should agencies determine the “predominant use” of land when it supports multiple functions (e.g., medical centers with adjacent green space or cemeteries)? What threshold or criteria should be used and considered by

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agencies in making this determination (e.g., a majority over 50% use considered predominant, or key operational uses)?

- What type of documentation is appropriate to support the determination of predominant use?
- If land use changes over time (e.g., from operational to conservation), how should that be reflected in the disclosures? How should agencies handle changes in classification of land between fiscal years?

**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

If submerged land is unusable/unsuitable for supporting the government's mission or operations, it may be misleading to include the related acreage in certain sub-categories. FASAB should consider developing additional guidance or examples for when agencies should include or exclude submerged land.

Additional questions / thoughts:

- This suggests that preparers have option to include or exclude non-OCS estimated acreage –
  - Has the Board considered this to be a one-time decision (as in the case of valuing inventory)?
  - Would there be instances or examples of when the entity should include or should exclude?
  - When disclosing the policy for including or excluding, has the board considered if entities should use a materiality threshold for making this determination along with or instead of a mission-driven decision?

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

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Agree. Land improvements should continue to be reported as capitalized G-PP&E assets, consistent with SFFAS 6. VA currently capitalizes such improvements when they meet capitalization thresholds and useful life criteria. This clarification ensures continuity in accounting treatment even as land itself transitions to note disclosure in FY 2026.

Land improvements are not specifically discussed in SFFAS 6; FASAB should consider providing additional guidance and/or practical examples of land improvements to ensure agencies are consistently reporting land improvements.

The standard could also clarify that reporting of land improvements should be consistent with the capitalization requirements outlined in SFFAS 6 and also clarify whether agencies should use materiality or capitalization policies to determine whether to capitalize land improvements.

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**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Agree. Permanent land rights should be expensed upon acquisition, consistent with the derecognition of land from the balance sheet under SFFAS 59. This treatment reflects the non-depreciable nature of such rights and simplifies accounting.

Consider additional guidance regarding the disposition of land and permanent land rights from the balance sheet in FY 2026 and whether removing land would follow posting logic for land dispositions since this scenario is not truly a disposition of land. The standard should contemplate scenarios in which there are additional implications of derecognizing G-PP&E land from the balance sheet starting in FY 2026 such as gains or losses due to any changes in value of land assets.

Further, the standard should include guidance for agencies to determine the thresholds (e.g., materiality, capitalization policies) to be used for determining when capitalize and depreciate temporary land rights. If agencies use materiality which is the only threshold specifically mentioned on page 2 of the standard, agencies may bypass the intention of including temporary land rights in GPP&E. For consistency, temporary land rights must follow the same capitalization policies as all other GPP&E assets.

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**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Partially disagree. The use of non-traditional documentation (e.g., satellite imagery, expert testimony, historical records) may be appropriate documentation to support the existence assertion. However, certain evidence such as satellite imagery would not necessarily support **ownership** of land for the purpose of audit procedures. For older or historically significant properties, such as national cemeteries, where traditional deeds may not be available it's important for agencies to have the flexibility of using expert analysis, legal precedents, and historical records or local testimonies to support ownership history.

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Agree with incorporating the ownership documentation concepts from Technical Release 9 into the land reporting framework. This guidance should include specific examples and clarify that evidence in the form of satellite imagery should include related data that is generated by the imagery technology such as date/time, geographic coordinates, etc. Additionally, consistent with the response to QFR5 above, consider adding guidance that satellite imagery should be used in conjunction with another ownership setting documentation and cannot be used on its own.

**QFR 7.** Do you wish to comment on any other aspects of this proposal?

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N/A

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**QFR 1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We believe it may be challenging for some entities to determine and maintain appropriate evidence supporting their conclusions for categorizing G-PP&E land and stewardship land based on intent. While in some cases the determination may be straightforward, the intent or intended purpose of land acquired by the federal government many years ago may not have been documented.

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Categorizing land as G-PP&E or stewardship was important when G-PP&E land was recognized on the balance sheet and stewardship land was not. The accounting treatment of both categories under SFFAS 59 is the same. We suggest the Board consider whether this categorization would provide useful information to users of the financial statements, considering the effort and significant judgment entities may need to incur to report the information.

The changes to SFFAS 6 paragraph 25 that are incorporated upon adoption of SFFAS 59 state that land restricted for conservation, preservation, historical or other like restrictions must be stewardship land. We are unclear whether entities cannot have G-PP&E land that is in the conservation and preservation subcategory as defined in SFFAS 59 paragraph 20C.

Lastly, within footnote 2 in paragraph 6 of the proposed TB, we believe the reference to SFFAS 6 paragraph 17 should instead reference SFFAS 6 paragraph 25, as this is the paragraph that addresses land and land rights in G-PP&E. While paragraph 6 of the proposed TB indicates the G-PP&E classification should be based on intent, this concept is not present in either SFFAS 6 paragraph 17 or 25.

**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree with the clarification provided in the proposed TB. However, we have certain suggestions we would like the Board to consider.

We believe that the statement in paragraph 8 referencing SFFAS 59 providing flexibility to preparers in reporting non-OCS land is inaccurate, as this is not stated in SFFAS 59. Additionally, we believe the sentences in paragraph 8 concerning aggregation, assignment and grouping, as well as a process to estimate total acreage, should be removed as they are not relevant to the question posed in paragraph 7.

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**



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We agree with the clarification provided in the proposed TB.

**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree with the clarification provided in the proposed TB. We believe it would be helpful for the Board to clarify in paragraph 13 whether the acres associated with permanent land rights should be included in the disclosure for acreage.

**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree with the clarification provided in the proposed TB.

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

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We agree with the clarification provided in the proposed TB.

**QFR 7. Do you wish to comment on any other aspects of this proposal?**

We encourage the Board to consider how moving the disclosure of land acreage from the required supplementary information to the footnotes will impact federal entities and the audit of those entities. The Government Accountability Office (GAO) and the Federal Accounting Standards Advisory Board staff have heard in recent Board meetings that entities may not have all necessary information available to support the disclosures that would be required.

Additionally, entities have expressed concern to the GAO about their capacity to fully implement the new disclosure requirements. Opinions on the financial statements may include qualifications or disclaimers if entities are unable to fully support the completeness and accuracy of the disclosures related to land within the footnotes. While the proposed TB clarifies the accounting guidance, there may still be implementation challenges for preparers, as outlined by the GAO and referenced in paragraphs A2 and A3 of the proposed TB.

The categorization of the issues as auditor issues, as referenced in paragraphs A2 and A3 of the TB, does not reflect a complete analysis of these matters. These are challenges that preparers are having in implementing the disclosures required by SFFAS 59.

We recommend the Board incorporate Technical Release 9 Section I into this TB to help preparers determine what is meaningful and cost-effective information for disclosure.

Also, there is no current auditing standard for determining materiality for non-financial metrics in footnotes, which may result in diversity in auditor approaches and conclusions.

## FASAB Questions

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**Do you agree or disagree? Please provide the rationale for your answer.**

GSA agrees the intended purpose of this TB and clarifications provided assists preparers of financial statements in determining stewardship land from GPP&E land. Moreover this also aligns with SFFAC 1, SFFAC 5 paragraphs 10-16, and SFFAS 29.

**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the

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option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

GSA does agree. However, GSA does not have OCS acreage, but we do appreciate the additional flexibility provided by the Board to agency preparers to make OCS optional to disclose, as this category of unique acreage must be difficult to measure and confirm accuracy of the estimates. Having the optional disclosure helps to lessen the burden on agencies.

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

GSA agrees. The specificity of the accounting treatment of 'land improvements' in paragraph 10 along with the examples in paragraph 11 provide additional clarity and are extremely helpful. The basis for conclusion, paragraphs A6-A9 is helpful to understand the Board's intent for capitalization of land improvements, while the standard expenses land. Specifically paragraph A8 helps preparers to realize these costs of land improvement provide future benefits, should be capitalized as PP&E and depreciated over the periods benefited. GSA appreciates the basis for the conclusion section; it always provides helpful insight into the Boards intentions of the specific accounting treatment.

**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

GSA agrees with FASAB to expense permanent land rights as incurred and temporary land rights are to be capitalized. In addition, we agree with FASAB's intention to alleviate preparer burden by not requiring a separate measurement of the cost of permanent land rights from its associated land as described in the last two sentences of paragraph 13, as this provision provides clarification for less stringent requirements from FASAB when it is appropriate.

*"In most cases, permanent land rights such as easements, water rights, or mineral rights are inseparable from the associated land that resulted in the land rights, and, as such, the value of such rights are measured as part of the cost of the land. Therefore,*

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*the intent of SFFAS 59 is not to require a separate measurement of the cost of permanent land rights from its associated land, as it is impractical and creates unnecessary preparer burden.”*

**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

*GSA agrees and supports the use of non-traditional documentation, as some historical documentation presents difficulty unraveling events that transpired many years prior. Moreover historical records are often illegible, when they can be found at all.*

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

*GSA agrees. We appreciate the terminology in paragraph 15 allowing the use of reasonable estimates to support land acreage and providing the examples.*

**QFR 7.** Do you wish to comment on any other aspects of this proposal?

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GSA, OCFO appreciates the opportunity FASAB gives agencies to provide comments and to learn about the pending accounting standards prior to implementation.

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**Do you agree or disagree? Please provide the rationale for your answer.**

Department of Commerce Response:

Yes, we agree the proposed TB would clarify that categorizing G-PP&E land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use.

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**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

Department of Commerce Response:

Yes, we agree that the proposed TB would clarify that the reporting of non-OCS submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land.

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Department of Commerce Response:

Yes, we agree that the proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, and land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes.

**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Department of Commerce Response:

Yes, we agree that the proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred.



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**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Department of Commerce Response:

Yes, we agree that the proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation, and we believe that the included examples of alternative methods provides further useful guidance to preparers.

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Department of Commerce Response:

Yes, we agree that the proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 and paragraph 85 of Technical Release 9.

**QFR 7. Do you wish to comment on any other aspects of this proposal?**

Department of Commerce Response:

We have no additional comments.

**FASAB Questions About Draft Technical Bulletin,  
Technical Clarifications: SFFAS 59: Accounting and Reporting of Government  
Land - Department of Homeland Security**

**QFR1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**Agree – The TB does clarify how land should be categorized.**

**QFR2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

**Agree – The flexibility provided to preparers is welcome, given the vast array of bodies of water owned by the government, the many reasons they are held, and the many uses they serve.**

**QFR3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with Statement of Federal Financial Accounting Standards 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**Agree – It does clarify that, and does a really nice job of explaining the rationale, for example, in A6 – A9.**

**QFR4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**Agree – Paragraph 13 makes this clear, and gives a good explanation of the intent.**

**QFR5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite

imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**Agree – paragraph 17 and footnote 6 add a lot of clarity, and again, the flexibility provided to preparers is welcome.**

**QFR6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**Agree – The proposed TB does incorporate those concepts.**

**QFR7. Do you wish to comment on any other aspects of this proposal?**

**We recommend that HA be added to Appendix F: List of Abbreviations.**

**DHS also recommends that FASAB and OMB reconsider the current plan to transition this disclosure to notes in FY 2026. We believe this recommendation is closely aligned with the recent OMB memorandum that attempts to bring the federal financial reporting model closer to what the readers (citizens) really care about – i.e., how tax dollars are spent, instead of on non-financial information that could only drive up the cost of preparing and auditing agency financial statements.**

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

**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 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 checked="" 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 [land@fasab.gov](mailto:land@fasab.gov). If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.*

This proposed Technical Bulletin (TB) would assist reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*.

**QFR 1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

Agree.

However, we were unsure how paragraph A4 relates to the question and answer posed by paragraphs 5 and 6. As written, paragraph A4 introduced some confusion about how to interpret paragraphs 5 and 6. Some members thought the second sentence of this paragraph could be more clear that in cases where there was an overlap in the definitions of stewardship land and G-PP&E, that the land should continue to be classified as stewardship land.

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

**QFR 2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree.

While this may result in some diversity in practice, we do not see this as a significant matter. Moreover, providing this flexibility fits with the purpose and value of the standard, which is not to provide a precise count of acres, but rather to distinguish stewardship land and provide for disclosure of the scope and nature of land holdings rather than requiring a (meaningless) reporting of historical cost.

**QFR 3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree. Proposed implementation guidance is in accordance with current standards. Since land improvements are depreciated, there is value and rationale in allocating the expense over the useful life of the asset. This is in contrast with stewardship land, which is a one-time expense, with the historical cost no longer retaining meaning as an asset value past the purchase.

**QFR 4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree.

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

**QFR 5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree.

However, as a matter of protocol and to enhance the readability of standards, we would prefer that instead of referencing a paragraph in the basis for conclusions of a standard, that the Technical Bulletin instead include that content in its entirety in a way that reflects the technical guidance the Board wishes to convey. Referencing the basis for conclusions is confusing since the basis is not authoritative. It also means the reader needs to also read that other section in conjunction with this one in order to have a full understanding of this sentence. Finally, since basis paragraphs are not updated to reflect subsequent changes, it creates an entanglement should the standard or technical guidance be amended in the future.

**QFR 6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

We agree.

Financial statements should reflect the government's current assertion with regard to land owned by the government. This necessarily means that reporting will follow whatever methods are used to establish the government's current assertion. It is not the place of financial statements to resolve boundary uncertainties or require more precision than needed for operations, they simply need to reflect the government's current position.

**QFR 7.** Do you wish to comment on any other aspects of this proposal?

*Exposure Draft Technical Bulletin:**Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*

We noticed that the TB had different paragraph numbers for the question and the answer. This appears to be a departure from recently issued TBs, which had one paragraph number for each question, inclusive of the answer. We strongly prefer having a single citation for each question and answer combination, since this would be much easier to navigate and cite, and to keep with a uniform convention.

Also, the comment period for this exposure draft was too short. A 15-day comment period, consisting of 10 working days during summer, is not a reasonable comment period. This is especially true for organizations that need to arrange groups of people and collaborate on a response. If the Board is serious about obtaining quality feedback from stakeholders, then comment periods should be no less than 30 days.

**Technical Bulletin 2025-X, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* –  
Tracked Version**



**TECHNICAL CLARIFICATIONS:  
SFFAS 59, *ACCOUNTING AND  
REPORTING OF GOVERNMENT LAND***

**Technical Bulletin 2025-X**

**Exposure Draft**

Written comments are requested by July 18, 2025

July 3, 2025

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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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### Contact Us

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July 3, 2025

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

Your comments on the exposure draft of a proposed Technical Bulletin, *Technical Clarifications: SFFAS 59: Accounting and Reporting of Government Land*, are requested. Specific questions for your consideration appear on page 3, but you are welcome to comment on any aspect of this proposal. If you do not agree with the proposed approach, your response will be most helpful to the Board if you explain the reasons for your positions and any alternatives you propose.

Responses are requested by July 18, 2025.

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

Please provide your comments by email to [land@fasab.gov](mailto:land@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.

We may hold one or more public hearings on any exposure draft. No hearing has yet been scheduled for this exposure draft. 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,

*Monica R. Valentine*

Monica R. Valentine  
Executive Director

## EXECUTIVE SUMMARY

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### WHAT GUIDANCE IS BEING PROPOSED?

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This Technical Bulletin (TB) would clarify existing standards for the accounting and reporting of government land in accordance with Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*. Guidance is needed to clarify the existing accounting and reporting requirements regarding the unique characteristics of government land holdings that have arisen during the fiscal year 2022-2024 required supplementary information transition period.

Specifically, this TB would clarify the following:

- The categorization of general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or the intended purpose of why the entity is currently managing/holding the land. The sub-categorization, however, is based on predominant use.
- Preparer flexibility concerning the accounting and reporting of non-outer continental shelf submerged land as well as ownership and related acquisition assertions.
- The accounting and reporting of land improvements remain consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*.
- G-PP&E permanent land rights are to be expensed as incurred.
- Preparer flexibility concerning ownership and related acquisition assertions by incorporating into this TB concepts from paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting Documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*.

This TB would facilitate consistent accounting and reporting of government land in accordance with generally accepted accounting principles while also reducing preparer burden and improving user benefits.

### MATERIALITY

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The provisions of this proposed TB would not need to be applied to information if the effect of applying the provision(s) is immaterial.<sup>1</sup> A misstatement, including omission of information, is material if, in light of surrounding facts and circumstances, it could reasonably be expected that the judgment of a reasonable user relying on the information would change or be influenced by the correction or inclusion of the information. Materiality should be evaluated in the context of the specific reporting entity. Determining materiality requires appropriate and reasonable judgment in considering the specific facts, circumstances, size, and nature of the misstatement. Consequently, after quantitative and qualitative factors are considered, materiality may vary by financial statement, line item, or group of line items within an entity.

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<sup>1</sup>Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

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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 all proposals in the Technical Bulletin (TB) before responding to the questions for respondents (QFR) in this section. In addition to the questions below, the Board also welcomes your comments on other aspects of the proposed TB. Because FASAB may modify the proposals before a final TB is issued, it is important that you comment on proposals that you favor as well as any that you do not favor. The Board especially appreciates comments that include the reasons for your views.

The Board believes that this proposal would improve federal financial reporting and contribute to federal financial reporting objectives. The Board has considered the perceived costs associated with this proposal. In responding, please consider the expected benefits and perceived costs and communicate any concerns that you may have regarding implementing this proposal.

The questions in this section are available for your use at <https://www.fasab.gov/documents-for-comment/>. Your responses should be sent to [land@fasab.gov](mailto:land@fasab.gov). If you are unable to respond by email, please contact us at (202) 512-7350.

All responses are requested by July 18, 2025.

**QFR1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with Statement of Federal Financial Accounting Standards 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR7.** Do you wish to comment on any other aspects of this proposal?

## PROPOSED TECHNICAL GUIDANCE

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### SCOPE

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1. **What reporting entities are affected by this Technical Bulletin (TB)?**
2. This TB applies to reporting entities that present general purpose federal financial reports in conformance with generally accepted accounting principles, as defined by paragraphs 5 through 8 of Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.
3. **What accounting practices are addressed in this TB?**
4. This TB provides clarifying guidance to the already existing guidance for the accounting and reporting of government land. Reporting guidance for government land is currently addressed in paragraphs 6 and 7 (general property, plant, and equipment [G-PP&E] land), paragraphs 8-10 (stewardship land), paragraph 11 (government-wide stewardship land) and paragraph 12 (government-wide G-PP&E land) of SFFAS 59, *Accounting for Government Land*. In accordance with paragraph A39 of the basis for conclusions in SFFAS 59, the Federal Accounting Standards Advisory Board (FASAB or “the Board”) committed to addressing post-implementation issues and completing its assessment during fiscal year 2025, as appropriate. This TB addresses those reporting issues determined to be within the scope of the Statement and within the Board’s authority.

### G-PP&E LAND AND STEWARDSHIP LAND CATEGORIZATIONS

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5. **What are the criteria for entities to determine the classification of land and permanent land rights between G-PP&E land and stewardship land??**
6. G-PP&E land and stewardship land are asset categories<sup>2</sup> primarily based on how and why an entity acquired such land (including permanent land rights) as well as an entity's intended use of the land.<sup>3</sup> When it is impractical to ascertain how and why such land was acquired, the determining factor when categorizing land (excluding public domain land) between G-PP&E and stewardship is the intent or intended purpose of why the entity is currently managing/holding the land.

It is important to note that (1) G-PP&E land excludes land withdrawn from the public domain and land restricted for conservation, preservation, historical or other like restrictions<sup>4</sup> and (2) stewardship land includes both public domain and acquired land and land rights owned by

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<sup>2</sup> Refer to par. 17 of SFFAS 6, *Accounting for Property, Plant, and Equipment*, and par. 33 of SFFAS 29, *Heritage Assets and Stewardship Land*.

<sup>3</sup> Refer to par. 25 of SFFAS 6, *Accounting for Property, Plant, and Equipment*.

<sup>4</sup> SFFAS 6 Paragraph 25 as amended by SFFAS 59 Paragraph 4



the Federal government intended to be held indefinitely, such as forests and parks<sup>5</sup>. Land and land rights not acquired for or in connection with items of G-PP&E should be reported as stewardship land<sup>6</sup>.

The TB neither anticipates nor requires that entities conduct an annual or other periodic survey solely for the purpose of identifying changes to the intent or intended purpose of their land holdings. Existing processes should serve to identify a change in the intent or intended purpose of holding the property—whether transitioning from G-PP&E land to stewardship land or vice versa. Examples of these changes include changes in entity mission requirements, effects of significant events, or changes in circumstances. The results of such processes may serve as the basis for identifying any changes in intent or intended purpose.

## ACCOUNTING AND REPORTING CONSIDERATIONS

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7. **How should entities report submerged land? Should entities report submerged land as part of acreage estimates or disclose it as part of a note?**
8. FASAB guidance defines “land” as the solid part of the surface of the earth.<sup>7</sup> Excluded from the definition are the natural resources (that is, depletable resources, such as mineral deposits and petroleum; renewable resources, such as timber; and the outer-continental shelf resources) related to land. In recognition of cost-benefit and preparer-burden considerations, SFFAS 59 provides the preparer with flexibility in reporting **non-outer continental shelf (OCS) submerged land**.<sup>8</sup> Preparers have the option to include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to footnote 46.1b in paragraph 45A.c. of SFFAS 6, *Accounting for Property, Plant, and Equipment*, and footnote 21.1b of paragraph 40.c. in SFFAS 29, which pertains to the aggregation and assignment of G-PP&E land and stewardship land.<sup>9</sup> The reporting entity should determine how to group land, including non-OCS submerged land, and permanent land rights based on the entity's mission, land usage, and asset management. This process can also be adopted to estimate total acreage and identify the predominant use of the land to ensure accurate classification and reporting.
9. **How should reporting entities account for land improvements pursuant to SFFAS 59?**
10. Practitioners should refer to the guidance in chapter 2 of SFFAS 6. If the land improvements meet the criteria to be categorized as G-PP&E, then they would be considered depreciable property, plant, and equipment (PP&E). Such land improvements produce long-term benefits that should be charged to expense through depreciation over their useful lives.

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<sup>5</sup> SFFAS 29 Paragraph 33. This paragraph contains additional examples.

<sup>6</sup> SFFAS 29 Paragraph 36

<sup>7</sup> SFFAS 29, par. 34 and Appendix E Consolidated Glossary.

<sup>8</sup> Terms defined in the Glossary are shown in bold-face the first time they appear.

<sup>9</sup> The level of aggregation of land and permanent land rights used to determine predominant use should be determined by the preparer considering the entity's mission, types of land use, and how it manages the assets.

Examples include dams, levees, and irrigation/drainage systems. Such land improvements would continue to be reported as PP&E after land acreage transitions to the notes to the financial statements.

11. Land improvements not meeting the SFFAS 6 capitalization requirements should be expensed and not capitalized. Examples include beautification efforts or landscaping activities, general upkeep to include routine maintenance, and repairs such as fixing existing structures without significantly upgrading them or altering their functionality.
12. **How should reporting entities account for permanent G-PP&E land rights pursuant to SFFAS 59?**
13. As stated at paragraph 4 of SFFAS 59, permanent land rights are not to be capitalized and should be expensed as incurred. As such, any recorded permanent land rights should be de-recognized upon implementation of SFFAS 59. Land rights that are for an unspecified period of time or unlimited duration are considered permanent land rights. Those land rights that are for a specified period of time or limited duration are considered temporary land rights. SFFAS 59 did not change the accounting or reporting requirements for temporary land rights, which should be capitalized and reported on the balance sheet. In most cases, permanent land rights such as easements, water rights, or mineral rights are inseparable from the associated land that resulted in the land rights, and, as such, the value of such rights are measured as part of the cost of the land. Therefore, the intent of SFFAS 59 is not to require a separate measurement of either the cost or estimated acreage of permanent land rights from its associated land, as it is impractical and creates unnecessary preparer burden.

## OWNERSHIP AND SUPPORTING DOCUMENTATION

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14. **How does an entity support its management assertion regarding ownership when there may be de facto ownership (that is, the federal government controls/manages the acreage uncontested for decades or centuries) without title documentation?**
15. Although the measurement basis for land is acreage, reasonable estimates may be used to establish land acreage and predominant use. As explained in paragraph A35 of the basis for conclusions in SFFAS 59, entity estimates can be based on different underlying sources of data with different measurement and/or mapping methods. They can be applied at an aggregation level (for example, by national park or reserve, regional/district office, or topography/land cover).
16. This TB incorporates the requirements from paragraph 85 (Methodology for Developing Supporting documentation) and concepts<sup>10</sup> regarding ownership in paragraphs 81-83

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<sup>10</sup> Paragraph 81 of TR 9 states: In the Basis for Conclusions of SFFAS 29, par. 86-88, The FASAB briefly discusses the fundamental problems associated with providing corroborating documentation to auditors on historical assets which predate the effective date of the standard and were acquired in an environment in which the historical records were not required to be retained and therefore, may not exist or be inadequate. Paragraph 82 of TR 9 states: The public domain once stretched from the Appalachian Mountains to the Pacific. Of the approximate 1.8 billion acres of public land acquired by the United States, about two-thirds went to individuals, corporations, and the states. The remaining public domain was set aside for national forests, wildlife refuges, national parks and monuments, and other public purposes. Paragraph 83 of TR 9 states: Definitive documentation on the majority of these lands is not

(Supporting Documentation) 85 of Technical Release (TR) 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. These should be followed when developing supporting documentation. These requirements, which have been updated to include G-PP&E land and exclude heritage assets, follow.

17. Methodology for Developing Supporting Documentation – Ideally, agencies should have a historical file evidencing ownership of their land holdings (G-PP&E and stewardship). When original property records (or other documentation like deeds, tax assessments, or insurance records) do not exist, a methodology should be employed to develop alternative documentation<sup>11</sup> to support management’s assertions of federal ownership. For example, maintenance or renovation contracts, historical maintenance records or a history of payment of invoices, minutes of meetings, historical databases, surveys of land records, a history of past/historical practices (like establishing de facto ownership), or other relevant sources of information may provide acceptable alternative evidence of government ownership. Therefore, it is important that a reporting entity develop and document its policy regarding factors and criteria used to evaluate supporting documentation in determining ownership.

## EFFECTIVE DATE

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18. The requirements of this TB are effective upon issuance.

The provisions of this Technical Bulletin need not be applied to information if the effect of applying the provision(s) is immaterial. Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

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available; therefore management must choose alternative methods of satisfying management’s assertions for these assets.

<sup>11</sup> Alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review third-party land surveys such as from state/local governments or private entities, geological data supporting territorial claims, or archival government correspondence to corroborate historical acquisition details. This approach ensures a comprehensive assertion and attestation process that upholds accuracy, accountability, and compliance with the SFFAS 59 requirements.

## APPENDIX A: BASIS FOR CONCLUSIONS

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The Federal Accounting Standards Advisory Board (FASAB) has authorized its staff to prepare Technical Bulletins to provide timely guidance on certain financial accounting and reporting problems, in accordance with the Board's Rules of Procedures, as amended and restated through August 2023, and the procedures described in FASAB Technical Bulletin 2000-1, *Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance*. The provisions of Technical Bulletins need not be applied to immaterial items.

This appendix discusses some factors considered significant by staff in reaching the conclusions in this Technical Bulletin. It includes the reasons for accepting certain approaches and rejecting others. Some factors were given greater weight than other factors. The guidance enunciated in the proposed technical guidance section—not the material in this appendix—would govern the accounting for specific transactions, events, or conditions.

This TB may be affected by later Statements or pronouncements. The FASAB Handbook is updated annually and includes a status section directing the reader to any pronouncement that affects this TB. Within the text of the TB, the authoritative sections are updated for changes. However, this appendix will not be updated to reflect subsequent changes. The reader can review the basis for conclusions of amending Statements or other pronouncements for the rationale for each amendment.

### PROJECT HISTORY

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- A1. The Board issued SFFAS 59, *Accounting and Reporting of Government Land*, in July 2021. SFFAS 59 is intended to ensure consistent accounting treatment and reporting for federal land and notes the importance of having accounting standards that provide relevant, reliable, and consistent information concerning federal land. It was the Board's intent that the information required by SFFAS 59 transition to basic information in fiscal year (FY) 2026 after being reported as required supplementary information (RSI) for four years. Given the potential implementation challenges related to SFFAS 59, the Board agreed to monitor its implementation and assess the need for action to address any preparation and auditing challenges prior to transition of the RSI requirements to the notes in FY 2026. As more fully discussed in paragraph A39 of SFFAS 59, the Board agreed to a four-year transition period (FY 2022-FY 2025) to allow time for reporting entities to develop and establish policies and procedures and to validate that the required information is independently verifiable or auditable. Accordingly, in November 2023, the Government Accountability Office (GAO) requested auditors of significant reporting entities reporting under FASAB standards to perform certain audit procedures in the FY 2024 reporting period to identify any verifiability issues.
- A2. At the February 2025 meeting, GAO briefed the Board on the FY 2024 results of the GAO Land Procedures received from entity auditors concerning the application of audit procedures in relation to SFFAS 59 reporting requirements. The briefing outlined certain areas that might require the Board's attention and consideration, ensuring adherence primarily to the SFFAS 59 reporting requirement to de-recognize land commencing in FY 2026. The following nine auditor issues were identified at the February meeting: (1)

submerged land; (2) ownership; (3) co-ownership or joint management; (4) predominant use; (5) permanent land rights; (6) land improvements; (7) G-PP&E land and stewardship land definitions; (8) TR 9; and (9) clarifying materiality. Staff was also notified of an additional implementation matter—acreage estimates—for the Board to address.

- A3. At the April 2025 meeting, the Board continued its assessment of the auditor issues brought up by GAO. GAO indicated that it had identified additional issues other than those previously outlined at the February meeting that could require the Board's attention. These additional issues primarily related to challenges in certain entities' ability to provide sufficient support for reported land acreage, including predominant use.

### Land Definitions

- A4. During the Board's development of the reporting requirements of SFFAS 59, it spent a significant amount of time clarifying the G-PP&E land and stewardship land definitions. For example, during deliberations, some task force members noted that a single land category would, in theory, simplify reporting; however, others were concerned that the existing distinction between G-PP&E land and stewardship land would be lost. They were concerned that this could adversely affect current measurement and recognition requirements for stewardship land with no clear benefits, as well as adversely affect Congressional appropriations. As a result, the Board agreed to retain the G-PP&E land and stewardship land distinctions. Furthermore, the Board believes that SFFAS 6 and this TB contains sufficient guidance to assist practitioners in differentiating between G-PP&E land and stewardship land.

### Submerged Land

- A5. To avoid preparer burden, SFFAS 59 does not require that non-OCS submerged land be separately measured and reported when estimating overall acreage. The illustration on conservation and preservation land use subcategories in appendix B of SFFAS 59 includes "watersheds and water resources" (some of which could be underwater land) within estimated acreage. The Board does not seek exact precision in this regard and provides the preparer with significant flexibility when estimating acres or when ascertaining how best to aggregate acreage estimates. Therefore, preparers may include non-OCS submerged land estimated acreage in the notes as part of the overall reported acreage estimates or simply provide a narrative disclosure describing its mission related to such lands without the need to estimate non-OCS estimated acreage. The Board believes this would reduce preparer and audit burden relating to estimating submerged land acreage.

### Land Improvements

- A6. The determination of whether land improvements should be expensed or capitalized hinges on their nature, longevity, and contribution to the land's overall use. Expenditures related to routine maintenance, temporary enhancements, and short-term land treatments are generally expensed.
- A7. In general, accounting principles are inclined to expense costs that are recurring in nature, such as landscaping upkeep, pest control, and seasonal treatments because these

expenditures do not create an enduring asset that would justify capitalization. Expensing these items ensures that financial statements accurately reflect ongoing operational costs, preventing inflation of asset values that could mislead users regarding the entity's financial position.

- A8. Conversely, distinct land improvements that enhance the usability, functionality, or durability of the land over an extended period are typically capitalized. This includes permanent modifications such as road construction, installation of irrigation systems, and fencing, which may fundamentally change the characteristics of the land and provide measurable future benefits. These costs are operational. Capitalizing allows them to be allocated across multiple accounting periods, aligning expenses with the periods in which benefits are realized. Proper classification between expensed and capitalized land improvements ensures compliance with SFFAS 6 and supports informed decision-making by users.
- A9. Consequently, land improvements would continue to be reported as PP&E after land acreage transitions to the notes to the financial statements.

### **Permanent Land Rights**

- A10. As stated at paragraph A9 in the basis for conclusions of SFFAS 59, due to concerns that the stewardship and operating performance reporting objectives and qualitative characteristics—such as relevance and comparability—were not being met, the Board agreed to expense G-PP&E land and associated permanent land rights and disclose estimated acres in a note.
- A11. In so doing, the Board did not change the accounting or reporting requirements for either temporary land rights (land rights of limited duration) or permanent land rights (land rights of unlimited duration). As such, permanent land rights are not to be depreciated or amortized. The Board understood that, in most cases, permanent land rights, such as easements, water rights, or mineral rights are inseparable from the land or lack distinct valuation; therefore, their treatment as a separate asset becomes impractical and creates unnecessary preparer burden. Without a clear mechanism to assign a measurable cost to these rights apart from the land, capitalization would lead to unnecessary preparer burden and arbitrary allocations that do not reflect the true economic substance of the underlying transaction(s). Expensing these rights instead provides a more accurate representation of financial performance, ensuring that only identifiable temporary land rights are reflected as assets and amortized accordingly.

### **Ownership and Supporting Documentation**

- A12. This TB incorporates concepts from paragraphs 81-83 and 85 of TR 9 concerning supporting documentation for land and methodologies for developing supporting documentation.
- A13. Paragraph 81 of TR 9 states:

*In the Basis for Conclusions of SFFAS 29, par. 86-88, The FASAB briefly discusses the fundamental problems associated with providing corroborating documentation to auditors on historical assets which predate the effective date of the standard and were acquired in an environment in which the historical records were not required to be retained and therefore, may not exist or be inadequate.*



A14. Paragraph 82 of TR 9 states:

*The public domain once stretched from the Appalachian Mountains to the Pacific. Of the approximate 1.8 billion acres of public land acquired by the United States, about two-thirds went to individuals, corporations, and the states. The remaining public domain was set aside for national forests, wildlife refuges, national parks and monuments, and other public purposes.*

A15. Paragraph 83 of TR 9 states:

*Definitive documentation on the majority of these lands is not available; therefore management must choose alternative methods of satisfying management's assertions for these assets.*

A16. Such alternative methods would typically be based upon policies and procedures that explain how ownership determinations are made and supported. Use of professional judgment when records are incomplete or ambiguous could include reliance on historical as well as operational information or a combination of both.

A17. Paragraph 85 of TR 9 states:

*...when original property records or other documentation (for example, deeds, tax assessments, insurance records, etc.) for [HA/SL] do not exist, a methodology needs to be employed in order to develop alternative documentation to support management's assertions of federal ownership.*

A18. Therefore, practitioners must seek alternative support when attesting to federal land acquired because historical records may be incomplete, deteriorated, or entirely absent due to several factors such as the passage of time, changes in record-keeping practices, or natural disasters. In such cases, practitioners should consider other sources of verification. Alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review third-party land surveys such as from state/local governments or private entities, geological data supporting territorial claims, or archival government correspondence to corroborate historical acquisition details. This approach ensures a comprehensive assertion and attestation process that upholds accuracy, accountability, and compliance with the SFFAS 59 requirements and is consistent with existing guidance at TR 9.

## APPENDIX B: ABBREVIATIONS

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FASAB	Federal Accounting Standards Advisory Board
FY	Fiscal Year
GAO	Government Accountability Office
G-PP&E	General Property, Plant and Equipment
OCS	Outer Continental Shelf
PP&E	Property, Plant and Equipment
QFR	Question for Respondents
RSI	Required Supplementary Information
SFFAS	Statement of Federal Financial Accounting Standards
TB	Technical Bulletin
TR	Technical Release



## APPENDIX C: GLOSSARY

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The terms explained in Appendix C have specific application to this TB and may be useful in applying the guidance.

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**Non-Outer Continental Shelf (OCS) Submerged Land** – Submerged lands that are (1) within state territorial waters, rather than those extending into the outer continental shelf and (2) internal or inland waters. State territorial waters refer to the area of water immediately adjacent to a state's coastline, over which the state government has jurisdiction. These waters typically extend up to 12 nautical miles from the baseline of the coastal state. State territorial waters are distinguished from (1) the high seas, which are common to all countries and (2) internal or inland waters, such as lakes wholly surrounded by the national territory or certain bays or estuaries. Examples of internal or inland waters include submerged lands beneath estuaries, waterways, lakes, rivers, and shallow waters surrounding islands.

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**Technical Bulletin 2025-X, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* –  
Clean Version**

**TECHNICAL CLARIFICATIONS:  
SFFAS 59, *ACCOUNTING AND  
REPORTING OF GOVERNMENT LAND***

**Technical Bulletin 2025-X**

**Exposure Draft**

Written comments are requested by July 18, 2025

July 3, 2025

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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](#)
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July 3, 2025

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

Your comments on the exposure draft of a proposed Technical Bulletin, *Technical Clarifications: SFFAS 59: Accounting and Reporting of Government Land*, are requested. Specific questions for your consideration appear on page 3, but you are welcome to comment on any aspect of this proposal. If you do not agree with the proposed approach, your response will be most helpful to the Board if you explain the reasons for your positions and any alternatives you propose.

Responses are requested by July 18, 2025.

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

Please provide your comments by email to [land@fasab.gov](mailto:land@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.

We may hold one or more public hearings on any exposure draft. No hearing has yet been scheduled for this exposure draft. 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,

*Monica R. Valentine*

Monica R. Valentine  
Executive Director

## EXECUTIVE SUMMARY

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### WHAT GUIDANCE IS BEING PROPOSED?

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This Technical Bulletin (TB) would clarify existing standards for the accounting and reporting of government land in accordance with Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*. Guidance is needed to clarify the existing accounting and reporting requirements regarding the unique characteristics of government land holdings that have arisen during the fiscal year 2022-2024 required supplementary information transition period.

Specifically, this TB would clarify the following:

- The categorization of general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or the intended purpose of why the entity is currently managing/holding the land. The sub-categorization, however, is based on predominant use.
- Preparer flexibility concerning the accounting and reporting of non-outer continental shelf submerged land as well as ownership and related acquisition assertions.
- The accounting and reporting of land improvements remain consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*.
- G-PP&E permanent land rights are to be expensed as incurred.
- Preparer flexibility concerning ownership and related acquisition assertions by incorporating into this TB concepts from paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting Documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*.

This TB would facilitate consistent accounting and reporting of government land in accordance with generally accepted accounting principles while also reducing preparer burden and improving user benefits.

### MATERIALITY

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The provisions of this proposed TB would not need to be applied to information if the effect of applying the provision(s) is immaterial.<sup>1</sup> A misstatement, including omission of information, is material if, in light of surrounding facts and circumstances, it could reasonably be expected that the judgment of a reasonable user relying on the information would change or be influenced by the correction or inclusion of the information. Materiality should be evaluated in the context of the specific reporting entity. Determining materiality requires appropriate and reasonable judgment in considering the specific facts, circumstances, size, and nature of the misstatement. Consequently, after quantitative and qualitative factors are considered, materiality may vary by financial statement, line item, or group of line items within an entity.

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<sup>1</sup>Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

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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 all proposals in the Technical Bulletin (TB) before responding to the questions for respondents (QFR) in this section. In addition to the questions below, the Board also welcomes your comments on other aspects of the proposed TB. Because FASAB may modify the proposals before a final TB is issued, it is important that you comment on proposals that you favor as well as any that you do not favor. The Board especially appreciates comments that include the reasons for your views.

The Board believes that this proposal would improve federal financial reporting and contribute to federal financial reporting objectives. The Board has considered the perceived costs associated with this proposal. In responding, please consider the expected benefits and perceived costs and communicate any concerns that you may have regarding implementing this proposal.

The questions in this section are available for your use at <https://www.fasab.gov/documents-for-comment/>. Your responses should be sent to [land@fasab.gov](mailto:land@fasab.gov). If you are unable to respond by email, please contact us at (202) 512-7350.

All responses are requested by July 18, 2025.

**QFR1.** The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR2.** The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR3.** The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with Statement of Federal Financial Accounting Standards 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR4.** The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR5.** The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR6.** The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

**Do you agree or disagree? Please provide the rationale for your answer.**

**QFR7.** Do you wish to comment on any other aspects of this proposal?

## PROPOSED TECHNICAL GUIDANCE

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### SCOPE

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1. **What reporting entities are affected by this Technical Bulletin (TB)?**
2. This TB applies to reporting entities that present general purpose federal financial reports in conformance with generally accepted accounting principles, as defined by paragraphs 5 through 8 of Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.
3. **What accounting practices are addressed in this TB?**
4. This TB provides clarifying guidance to the already existing guidance for the accounting and reporting of government land. Reporting guidance for government land is currently addressed in paragraphs 6 and 7 (general property, plant, and equipment [G-PP&E] land), paragraphs 8-10 (stewardship land), paragraph 11 (government-wide stewardship land) and paragraph 12 (government-wide G-PP&E land) of SFFAS 59, *Accounting for Government Land*. In accordance with paragraph A39 of the basis for conclusions in SFFAS 59, the Federal Accounting Standards Advisory Board (FASAB or “the Board”) committed to addressing post-implementation issues and completing its assessment during fiscal year 2025, as appropriate. This TB addresses those reporting issues determined to be within the scope of the Statement and within the Board’s authority.

### G-PP&E LAND AND STEWARDSHIP LAND CATEGORIZATIONS

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5. **What are the criteria for entities to determine the classification of land and permanent land rights between G-PP&E land and stewardship land??**
6. G-PP&E land and stewardship land are asset categories<sup>2</sup> primarily based on how and why an entity acquired such land (including permanent land rights) as well as an entity's intended use of the land.<sup>3</sup> When it is impractical to ascertain how and why such land was acquired, the determining factor when categorizing land (excluding public domain land) between G-PP&E and stewardship is the intent or intended purpose of why the entity is currently managing/holding the land.

It is important to note that (1) G-PP&E land excludes land withdrawn from the public domain and land restricted for conservation, preservation, historical or other like restrictions<sup>4</sup> and (2) stewardship land includes both public domain and acquired land and land rights owned by

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<sup>2</sup> Refer to par. 17 of SFFAS 6, *Accounting for Property, Plant, and Equipment*, and par. 33 of SFFAS 29, *Heritage Assets and Stewardship Land*.

<sup>3</sup> Refer to par. 25 of SFFAS 6, *Accounting for Property, Plant, and Equipment*.

<sup>4</sup> SFFAS 6 Paragraph 25 as amended by SFFAS 59 Paragraph 4

the Federal government intended to be held indefinitely, such as forests and parks<sup>5</sup>. Land and land rights not acquired for or in connection with items of G-PP&E should be reported as stewardship land<sup>6</sup>.

The TB neither anticipates nor requires that entities conduct an annual or other periodic survey solely for the purpose of identifying changes to the intent or intended purpose of their land holdings. Existing processes should serve to identify a change in the intent or intended purpose of holding the property—whether transitioning from G-PP&E land to stewardship land or vice versa. Examples of these changes include changes in entity mission requirements, effects of significant events, or changes in circumstances. The results of such processes may serve as the basis for identifying any changes in intent or intended purpose.

## ACCOUNTING AND REPORTING CONSIDERATIONS

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7. **How should entities report submerged land? Should entities report submerged land as part of acreage estimates or disclose it as part of a note?**
8. FASAB guidance defines “land” as the solid part of the surface of the earth.<sup>7</sup> Excluded from the definition are the natural resources (that is, depletable resources, such as mineral deposits and petroleum; renewable resources, such as timber; and the outer-continental shelf resources) related to land. In recognition of cost-benefit and preparer-burden considerations, SFFAS 59 provides the preparer with flexibility in reporting **non-outer continental shelf (OCS) submerged land**.<sup>8</sup> Preparers have the option to include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to footnote 46.1b in paragraph 45A.c. of SFFAS 6, *Accounting for Property, Plant, and Equipment*, and footnote 21.1b of paragraph 40.c. in SFFAS 29, which pertains to the aggregation and assignment of G-PP&E land and stewardship land.<sup>9</sup> The reporting entity should determine how to group land, including non-OCS submerged land, and permanent land rights based on the entity's mission, land usage, and asset management. This process can also be adopted to estimate total acreage and identify the predominant use of the land to ensure accurate classification and reporting.
9. **How should reporting entities account for land improvements pursuant to SFFAS 59?**
10. Practitioners should refer to the guidance in chapter 2 of SFFAS 6. If the land improvements meet the criteria to be categorized as G-PP&E, then they would be considered depreciable property, plant, and equipment (PP&E). Such land improvements produce long-term benefits that should be charged to expense through depreciation over their useful lives.

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<sup>5</sup> SFFAS 29 Paragraph 33. This paragraph contains additional examples.

<sup>6</sup> SFFAS 29 Paragraph 36

<sup>7</sup> SFFAS 29, par. 34 and Appendix E Consolidated Glossary.

<sup>8</sup> Terms defined in the Glossary are shown in bold-face the first time they appear.

<sup>9</sup> The level of aggregation of land and permanent land rights used to determine predominant use should be determined by the preparer considering the entity's mission, types of land use, and how it manages the assets.

Examples include dams, levees, and irrigation/drainage systems. Such land improvements would continue to be reported as PP&E after land acreage transitions to the notes to the financial statements.

11. Land improvements not meeting the SFFAS 6 capitalization requirements should be expensed and not capitalized. Examples include beautification efforts or landscaping activities, general upkeep to include routine maintenance, and repairs such as fixing existing structures without significantly upgrading them or altering their functionality.
12. **How should reporting entities account for permanent G-PP&E land rights pursuant to SFFAS 59?**
13. As stated at paragraph 4 of SFFAS 59, permanent land rights are not to be capitalized and should be expensed as incurred. As such, any recorded permanent land rights should be de-recognized upon implementation of SFFAS 59. Land rights that are for an unspecified period of time or unlimited duration are considered permanent land rights. Those land rights that are for a specified period of time or limited duration are considered temporary land rights. SFFAS 59 did not change the accounting or reporting requirements for temporary land rights, which should be capitalized and reported on the balance sheet. In most cases, permanent land rights such as easements, water rights, or mineral rights are inseparable from the associated land that resulted in the land rights, and, as such, the value of such rights are measured as part of the cost of the land. Therefore, the intent of SFFAS 59 is not to require a separate measurement of either the cost or estimated acreage of permanent land rights from its associated land, as it is impractical and creates unnecessary preparer burden.

## OWNERSHIP AND SUPPORTING DOCUMENTATION

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14. **How does an entity support its management assertion regarding ownership when there may be de facto ownership (that is, the federal government controls/manages the acreage uncontested for decades or centuries) without title documentation?**
15. Although the measurement basis for land is acreage, reasonable estimates may be used to establish land acreage and predominant use. As explained in paragraph A35 of the basis for conclusions in SFFAS 59, entity estimates can be based on different underlying sources of data with different measurement and/or mapping methods. They can be applied at an aggregation level (for example, by national park or reserve, regional/district office, or topography/land cover).
16. This TB incorporates the requirements from paragraph 85 (Methodology for Developing Supporting documentation) and concepts<sup>10</sup> regarding ownership in paragraphs 81-83

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<sup>10</sup> Paragraph 81 of TR 9 states: In the Basis for Conclusions of SFFAS 29, par. 86-88, The FASAB briefly discusses the fundamental problems associated with providing corroborating documentation to auditors on historical assets which predate the effective date of the standard and were acquired in an environment in which the historical records were not required to be retained and therefore, may not exist or be inadequate. Paragraph 82 of TR 9 states: The public domain once stretched from the Appalachian Mountains to the Pacific. Of the approximate 1.8 billion acres of public land acquired by the United States, about two-thirds went to individuals, corporations, and the states. The remaining public domain was set aside for national forests, wildlife refuges, national parks and monuments, and other public purposes. Paragraph 83 of TR 9 states: Definitive documentation on the majority of these lands is not

(Supporting Documentation) 85 of Technical Release (TR) 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. These should be followed when developing supporting documentation. These requirements, which have been updated to include G-PP&E land and exclude heritage assets, follow.

17. Methodology for Developing Supporting Documentation – Ideally, agencies should have a historical file evidencing ownership of their land holdings (G-PP&E and stewardship). When original property records (or other documentation like deeds, tax assessments, or insurance records) do not exist, a methodology should be employed to develop alternative documentation<sup>11</sup> to support management’s assertions of federal ownership. For example, maintenance or renovation contracts, historical maintenance records or a history of payment of invoices, minutes of meetings, historical databases, surveys of land records, a history of past/historical practices (like establishing de facto ownership), or other relevant sources of information may provide acceptable alternative evidence of government ownership. Therefore, it is important that a reporting entity develop and document its policy regarding factors and criteria used to evaluate supporting documentation in determining ownership.

## EFFECTIVE DATE

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18. The requirements of this TB are effective upon issuance.

The provisions of this Technical Bulletin need not be applied to information if the effect of applying the provision(s) is immaterial. Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

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available; therefore management must choose alternative methods of satisfying management’s assertions for these assets.

<sup>11</sup> Alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review third-party land surveys such as from state/local governments or private entities, geological data supporting territorial claims, or archival government correspondence to corroborate historical acquisition details. This approach ensures a comprehensive assertion and attestation process that upholds accuracy, accountability, and compliance with the SFFAS 59 requirements.

## APPENDIX A: BASIS FOR CONCLUSIONS

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The Federal Accounting Standards Advisory Board (FASAB) has authorized its staff to prepare Technical Bulletins to provide timely guidance on certain financial accounting and reporting problems, in accordance with the Board's Rules of Procedures, as amended and restated through August 2023, and the procedures described in FASAB Technical Bulletin 2000-1, *Purpose and Scope of FASAB Technical Bulletins and Procedures for Issuance*. The provisions of Technical Bulletins need not be applied to immaterial items.

This appendix discusses some factors considered significant by staff in reaching the conclusions in this Technical Bulletin. It includes the reasons for accepting certain approaches and rejecting others. Some factors were given greater weight than other factors. The guidance enunciated in the proposed technical guidance section—not the material in this appendix—would govern the accounting for specific transactions, events, or conditions.

This TB may be affected by later Statements or pronouncements. The FASAB Handbook is updated annually and includes a status section directing the reader to any pronouncement that affects this TB. Within the text of the TB, the authoritative sections are updated for changes. However, this appendix will not be updated to reflect subsequent changes. The reader can review the basis for conclusions of amending Statements or other pronouncements for the rationale for each amendment.

### PROJECT HISTORY

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- A1. The Board issued SFFAS 59, *Accounting and Reporting of Government Land*, in July 2021. SFFAS 59 is intended to ensure consistent accounting treatment and reporting for federal land and notes the importance of having accounting standards that provide relevant, reliable, and consistent information concerning federal land. It was the Board's intent that the information required by SFFAS 59 transition to basic information in fiscal year (FY) 2026 after being reported as required supplementary information (RSI) for four years. Given the potential implementation challenges related to SFFAS 59, the Board agreed to monitor its implementation and assess the need for action to address any preparation and auditing challenges prior to transition of the RSI requirements to the notes in FY 2026. As more fully discussed in paragraph A39 of SFFAS 59, the Board agreed to a four-year transition period (FY 2022-FY 2025) to allow time for reporting entities to develop and establish policies and procedures and to validate that the required information is independently verifiable or auditable. Accordingly, in November 2023, the Government Accountability Office (GAO) requested auditors of significant reporting entities reporting under FASAB standards to perform certain audit procedures in the FY 2024 reporting period to identify any verifiability issues.
- A2. At the February 2025 meeting, GAO briefed the Board on the FY 2024 results of the GAO Land Procedures received from entity auditors concerning the application of audit procedures in relation to SFFAS 59 reporting requirements. The briefing outlined certain areas that might require the Board's attention and consideration, ensuring adherence primarily to the SFFAS 59 reporting requirement to de-recognize land commencing in FY 2026. The following nine auditor issues were identified at the February meeting: (1)



submerged land; (2) ownership; (3) co-ownership or joint management; (4) predominant use; (5) permanent land rights; (6) land improvements; (7) G-PP&E land and stewardship land definitions; (8) TR 9; and (9) clarifying materiality. Staff was also notified of an additional implementation matter—acreage estimates—for the Board to address.

- A3. At the April 2025 meeting, the Board continued its assessment of the auditor issues brought up by GAO. GAO indicated that it had identified additional issues other than those previously outlined at the February meeting that could require the Board's attention. These additional issues primarily related to challenges in certain entities' ability to provide sufficient support for reported land acreage, including predominant use.

## **Land Definitions**

- A4. During the Board's development of the reporting requirements of SFFAS 59, it spent a significant amount of time clarifying the G-PP&E land and stewardship land definitions. For example, during deliberations, some task force members noted that a single land category would, in theory, simplify reporting; however, others were concerned that the existing distinction between G-PP&E land and stewardship land would be lost. They were concerned that this could adversely affect current measurement and recognition requirements for stewardship land with no clear benefits, as well as adversely affect Congressional appropriations. As a result, the Board agreed to retain the G-PP&E land and stewardship land distinctions. Furthermore, the Board believes that SFFAS 6 and this TB contains sufficient guidance to assist practitioners in differentiating between G-PP&E land and stewardship land.

## **Submerged Land**

- A5. To avoid preparer burden, SFFAS 59 does not require that non-OCS submerged land be separately measured and reported when estimating overall acreage. The illustration on conservation and preservation land use subcategories in appendix B of SFFAS 59 includes "watersheds and water resources" (some of which could be underwater land) within estimated acreage. The Board does not seek exact precision in this regard and provides the preparer with significant flexibility when estimating acres or when ascertaining how best to aggregate acreage estimates. Therefore, preparers may include non-OCS submerged land estimated acreage in the notes as part of the overall reported acreage estimates or simply provide a narrative disclosure describing its mission related to such lands without the need to estimate non-OCS estimated acreage. The Board believes this would reduce preparer and audit burden relating to estimating submerged land acreage.

## **Land Improvements**

- A6. The determination of whether land improvements should be expensed or capitalized hinges on their nature, longevity, and contribution to the land's overall use. Expenditures related to routine maintenance, temporary enhancements, and short-term land treatments are generally expensed.
- A7. In general, accounting principles are inclined to expense costs that are recurring in nature, such as landscaping upkeep, pest control, and seasonal treatments because these



expenditures do not create an enduring asset that would justify capitalization. Expensing these items ensures that financial statements accurately reflect ongoing operational costs, preventing inflation of asset values that could mislead users regarding the entity's financial position.

- A8. Conversely, distinct land improvements that enhance the usability, functionality, or durability of the land over an extended period are typically capitalized. This includes permanent modifications such as road construction, installation of irrigation systems, and fencing, which may fundamentally change the characteristics of the land and provide measurable future benefits. These costs are operational. Capitalizing allows them to be allocated across multiple accounting periods, aligning expenses with the periods in which benefits are realized. Proper classification between expensed and capitalized land improvements ensures compliance with SFFAS 6 and supports informed decision-making by users.
- A9. Consequently, land improvements would continue to be reported as PP&E after land acreage transitions to the notes to the financial statements.

### **Permanent Land Rights**

- A10. As stated at paragraph A9 in the basis for conclusions of SFFAS 59, due to concerns that the stewardship and operating performance reporting objectives and qualitative characteristics—such as relevance and comparability—were not being met, the Board agreed to expense G-PP&E land and associated permanent land rights and disclose estimated acres in a note.
- A11. In so doing, the Board did not change the accounting or reporting requirements for either temporary land rights (land rights of limited duration) or permanent land rights (land rights of unlimited duration). As such, permanent land rights are not to be depreciated or amortized. The Board understood that, in most cases, permanent land rights, such as easements, water rights, or mineral rights are inseparable from the land or lack distinct valuation; therefore, their treatment as a separate asset becomes impractical and creates unnecessary preparer burden. Without a clear mechanism to assign a measurable cost to these rights apart from the land, capitalization would lead to unnecessary preparer burden and arbitrary allocations that do not reflect the true economic substance of the underlying transaction(s). Expensing these rights instead provides a more accurate representation of financial performance, ensuring that only identifiable temporary land rights are reflected as assets and amortized accordingly.

### **Ownership and Supporting Documentation**

- A12. This TB incorporates concepts from paragraphs 81-83 and 85 of TR 9 concerning supporting documentation for land and methodologies for developing supporting documentation.
- A13. Paragraph 81 of TR 9 states:

*In the Basis for Conclusions of SFFAS 29, par. 86-88, The FASAB briefly discusses the fundamental problems associated with providing corroborating documentation to auditors on historical assets which predate the effective date of the standard and were acquired in an environment in which the historical records were not required to be retained and therefore, may not exist or be inadequate.*

A14. Paragraph 82 of TR 9 states:

*The public domain once stretched from the Appalachian Mountains to the Pacific. Of the approximate 1.8 billion acres of public land acquired by the United States, about two-thirds went to individuals, corporations, and the states. The remaining public domain was set aside for national forests, wildlife refuges, national parks and monuments, and other public purposes.*

A15. Paragraph 83 of TR 9 states:

*Definitive documentation on the majority of these lands is not available; therefore management must choose alternative methods of satisfying management's assertions for these assets.*

A16. Such alternative methods would typically be based upon policies and procedures that explain how ownership determinations are made and supported. Use of professional judgment when records are incomplete or ambiguous could include reliance on historical as well as operational information or a combination of both.

A17. Paragraph 85 of TR 9 states:

*...when original property records or other documentation (for example, deeds, tax assessments, insurance records, etc.) for [HA/SL] do not exist, a methodology needs to be employed in order to develop alternative documentation to support management's assertions of federal ownership.*

A18. Therefore, practitioners must seek alternative support when attesting to federal land acquired because historical records may be incomplete, deteriorated, or entirely absent due to several factors such as the passage of time, changes in record-keeping practices, or natural disasters. In such cases, practitioners should consider other sources of verification. Alternative methods, such as satellite imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review third-party land surveys such as from state/local governments or private entities, geological data supporting territorial claims, or archival government correspondence to corroborate historical acquisition details. This approach ensures a comprehensive assertion and attestation process that upholds accuracy, accountability, and compliance with the SFFAS 59 requirements and is consistent with existing guidance at TR 9.

## APPENDIX B: ABBREVIATIONS

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FASAB	Federal Accounting Standards Advisory Board
FY	Fiscal Year
GAO	Government Accountability Office
G-PP&E	General Property, Plant and Equipment
OCS	Outer Continental Shelf
PP&E	Property, Plant and Equipment
QFR	Question for Respondents
RSI	Required Supplementary Information
SFFAS	Statement of Federal Financial Accounting Standards
TB	Technical Bulletin
TR	Technical Release

## APPENDIX C: GLOSSARY

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The terms explained in Appendix C have specific application to this TB and may be useful in applying the guidance.

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**Non-Outer Continental Shelf (OCS) Submerged Land** – Submerged lands that are (1) within state territorial waters, rather than those extending into the outer continental shelf and (2) internal or inland waters. State territorial waters refer to the area of water immediately adjacent to a state's coastline, over which the state government has jurisdiction. These waters typically extend up to 12 nautical miles from the baseline of the coastal state. State territorial waters are distinguished from (1) the high seas, which are common to all countries and (2) internal or inland waters, such as lakes wholly surrounded by the national territory or certain bays or estuaries. Examples of internal or inland waters include submerged lands beneath estuaries, waterways, lakes, rivers, and shallow waters surrounding islands.

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