

## Memorandum Technical Agenda

August 1, 2025

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

### INTRODUCTION

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

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

### REQUEST FOR FEEDBACK BY AUGUST 13

**Prior to the Board's August meeting**, please review the attached project information, staff recommendations, and analyses and consider the ensuing questions.

### NEXT STEPS

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

### ATTACHMENT

1. Staff Analysis
2. Project Timelines

# Staff Analysis

## Technical Agenda

### Attachment 1

#### **CONTEXT**

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

#### **BACKGROUND**

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

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

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

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

#### **CURRENT TECHNICAL AGENDA PROJECTS**

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

## **Current Technical Agenda Projects:**

1. Commitments Reexamination
2. Direct Loans & Loan Guarantees Disclosures Reexamination
3. Federal GAAP Hierarchy Reexamination
4. Land Post-issuance
5. Leases Post-issuance
6. Intangible Assets/Software Technology
7. MD&A: Implementing SFFAS 64
8. Public-Private Partnerships (P3)
9. Reporting Entity Reorganizations and Abolishments
10. Technical Clarifications of Existing Standards
11. ASIC – Leases Implementation Guidance Updates
12. ASIC – P3 Implementation Guidance

## **Technical Agenda Project Summaries, Status, and Next Steps**

### ***1. Commitments Reexamination***

- a. Summary – The Board has issued guidance on specific commitments, such as leases and P3s, through the years however, there is currently no GAAP guidance on general commitments. The project was added to the technical agenda in August 2024 and the project plan was approved by the Board in February 2025.

The primary objectives of the project are to:

- i. Define commitments.
  - ii. Determine the scope of the commitments project.
  - iii. Determine what information to include in the commitments reporting requirements.
  - iv. Develop guidance on measurement attributes applicable to commitments.
  - v. Decide the appropriate presentation for commitments information.
  - vi. Clarify the relationship between commitments and contingencies.
- b. Status – A task force was formed in April 2025 and began working on identifying potential challenges related to accounting for commitments. A questionnaire was sent to the task force in June 2025 to obtain their views on potential commitment definition options, whether reporting commitments would achieve the objectives of transparency and accountability and meet user needs, what commitments

information is considered important to users, what is the level of effort involved in reporting and auditing commitments information, and the relationship between commitments and contingencies. Responses to the questionnaire identified defining commitments as the primary challenge area.

- c. Next Steps – The task force will continue to work on developing proposed commitments definition options for recommendation to the Board for consideration.

## **2. Direct Loans & Loan Guarantees Disclosures Reexamination**

- a. Summary – The Direct Loan and Loan Guarantee project is meant to address the lengthy and complex loan disclosures in the Agency Financial Reports (AFR). The Board will consider ways to improve, clarify, and streamline loan disclosure requirements. This project has four primary objectives:
  - Determine if the current FASAB direct loan and loan guarantee disclosure requirements are relevant and meet the needs of stakeholders.
  - Determine areas where direct loan and loan guarantee disclosure requirements can be improved, clarified, and streamlined to reduce burden on preparers, auditors, and users.
  - Determine ways to increase the meaningfulness of the direct loan and loan guarantee disclosures to users and other stakeholders. For example, determine if there are ways to improve the presentation and format.
  - Determine if certain direct loan and loan guarantee disclosure information would be better suited for Required Supplementary Information (RSI).
- b. Status – The project plan for the Direct Loan and Loan Guarantee project was approved at the February 2025 meeting. At the June 2025, staff presented a credit reform education session that included presentations from credit reform panelists. Staff has also established a loan disclosure task force for this project and the first meeting was held in July 2025.
- c. Next Steps – Staff will continue to coordinate and work with the task force to research and provide recommendations to the Board on improving, clarifying, and streamlining the loan disclosures.

## **3. Federal GAAP Hierarchy Reexamination**

- a. Summary – SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board*, provides the sources of accounting principles and the framework for selecting the principles used in the preparation of general-purpose financial reports of federal entities that conform with GAAP.

SFFAS 34 generally carried forward the hierarchy as set forth in Statement of Auditing Standards 91, *Federal GAAP Hierarchy*. As part of FASAB's overall reexamination of existing standards, the Board will consider ways to improve, simplify, clarify, and streamline the federal GAAP hierarchy to ensure it is effective.

- b. Status – At the April 2025 meeting, the Board approved the federal GAAP hierarchy reexamination project plan. Staff coordinated and established a FASAB GAAP hierarchy working group. The working group roster includes representatives from each of the sponsors, financial management CFO community, audit community, and affiliated associations. The first working group meeting was held in June 2025 that primarily focused on background information and objectives of the project.

The working group agreed that it is important to consider what characteristics<sup>1</sup> should be common to sources of guidance that are placed at the highest level of GAAP. The working group is currently developing the common characteristics for the highest level of GAAP. Establishing common characteristics provides a basis for placement of sources of accounting guidance in specific categories or levels of GAAP.

- c. Next Steps – Staff will continue to coordinate and work with the working group to develop recommendations and alternatives to the Board on the reexamination of the federal GAAP hierarchy. The working group will determine options for the Board's consideration, including the advantages and disadvantages for each option.

#### **4. SFFAS 59, Land Post-issuance**

- a. Summary - Given the potential implementation challenges related to SFFAS 59, *Accounting and Reporting of Government Land*, the Board agreed to include a separate project on its technical agenda to monitor implementation challenges, and to assess the need, as appropriate, for actions to address those challenges prior to transition of the RSI requirements to the notes scheduled to begin in fiscal year 2026.
- b. Status – Post-issuance activities have progressed to the July 3<sup>rd</sup>, 2025 exposure of a proposed Technical Bulletin providing technical clarifications regarding several accounting issues brought to the Board's attention by the GAO at the February and April 2025 board meetings.
- c. Next Steps – Comments to the exposure draft, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* were due on July 18<sup>th</sup>, 2025. Staff is currently reviewing the comment letters, contacting respondents and coordinating comments/suggestions with subject matter experts, as appropriate.

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<sup>1</sup> In the past, significant revisions to standard-setters GAAP hierarchy have centered on establishing common characteristics for each level of the GAAP hierarchy.

Staff plans to review and discuss respondent comments at the August Board meeting.

## **5. SFFAS 54, Leases Post-issuance**

- a. Summary - Since the issuance of SFFAS 54, *Leases*, the Board has completed numerous post-issuance activities. These activities supported effective and timely implementation and understanding of SFFAS 54 through implementation guidance and the timely identification and issuance of conforming amendments, clarifications, and other guidance.
- b. Status – SFFAS 54, as amended, became effective in fiscal year 2024.
- c. Next Steps – Staff will continue to monitor and update the Board on second-year implementation results. Staff will keep the Board apprised of ASIC activities (see item 10 below) and elevate any issues that might warrant Board action.

## **6. Intangible Assets/Software Technology**

- a. Summary – The Board initially added the intangible assets project to its technical agenda with the following three objectives:
  - i. Develop updates for software reporting guidance
  - ii. Develop a working definition of intangible assets for the Board’s internal use
  - iii. Further assess the costs versus benefits of developing reporting guidance for intangible assets

For the first objective, the Board approved a scope for developing updates for software guidance. The scope consists of four major categories of software resources:

- Cloud-service arrangements
- Shared services
- Internal use software updates
- Other software technology

Members supported addressing each scope category separately but noted that the categories would likely overlap and relate to one another. The “other software technology” category could potentially include Board deliberations on significant software technology topics, such as artificial intelligence, digital assets, and cybersecurity.

The Board also developed a working definition for intangible assets and staff continued to research the costs and benefits for developing intangible asset

guidance. In 2024, after further deliberations the Board decided to move forward with developing intangible asset concepts and reporting guidance. The Board plans to issue the concept amendments concurrently with a new Statement for intangible asset standards that encompasses the updated software guidance.

- b. Status – To date, the Board has deliberated financial statement recognition guidance for cloud-service arrangements, software licenses, shared software, and agile software development.

The Board has also deliberated concept amendments to address intangible assets in the federal government and scope, definition, and recognition guidance for intangible assets that federal entities acquire from other entities.

- c. Next Steps – For the August 2025 meeting, the Board will consider project timelines for first issuing a separate exposure draft that only amends the software development guidance in SFFAS 10, *Accounting for Internal Use Software* to align with agile development methods versus waiting to issue one exposure draft once the Board deliberates the entire software technology and intangible assets projects.

Pending Board decisions, staff will continue to coordinate with the working group to research and recommend accounting guidance updates for intangible assets and software.

## **7. MD&A: Implementing SFFAS 64**

- a. Summary - After the issuance on September 27, 2025, of Statement of Federal Financial Accounting Standards (SFFAS) 64, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15*, staff provided training for over 25 agencies between February and May 2025. During that period, staff collected questions for developing proposed Staff Implementation Guidance (SIG 64.1)
- b. Status – Staff reviewed the trainings and questions for developing SIG 64.1 and plans to release the final SIG in early 2026.

Staff also continues to offer “encore” training to agencies upon request. Encore training is in addition to the initial training provided and includes staff’s review and analysis of draft MD&As to assist agencies in implementing SFFAS 64. Staff has provided encore training to agencies such as Department of Defense (DOD), Federal Aviation Administration (FAA), Federal Trade Commission (FTC) and National Reconnaissance Office (NRO).

Staff is working closely with AGA-CEAR to synchronize SFFAS 64 requirements with CEAR preparer and reviewer requirements and to make sure the options for reporting MD&A during this transition year are clear. Agencies can either continue to report according to SFFAS 15, report according to SFFAS 15 while also incorporating some SFFAS 64 principles or implement SFFAS 64 in full for FY 2025.

As a follow up to training questions about how the transition year will affect agency audits, staff also worked closely with the GAO auditors to ensure that the Federal Financial Reporting Checklist reflected the different options for reporting MD&A in FY25.

c. Next Steps – Staff continues to work on proposed SIG 64.1. The following are the next steps before SIG 64.1 is expected to be issued in early 2026:

- a three-person staff peer review,
- a review by the FASAB executive director and chair,
- a public meeting with a 15-day comment period,
- an updated draft in response to public comments,
- a 15-day no object approval period for the Board with staff review, and
- upon a majority of board member acceptance, the executive director will publish SIG 64.1.

Staff will also continue to offer encore training until the full implementation in FY 2026.

## **8. Public-Private Partnerships (P3)**

- a. Summary – The P3 project is meant to address federal agencies increasing use of P3s to accomplish program goals. The overall objective of the project is to make the full costs of such partnerships transparent. The issuance of SFFAS 49, Public-Private Partnerships: Disclosure Requirements, on April 27, 2016, effectively concluded the first phase of the Board’s two-phased project on Public-Private partnerships. Although the second phase of the project is expected to address measurement and recognition, some of which is directly related to the disclosures required by SFFAS 49, staff has been asked to address phase I implementation issues prior to commencing phase II.
- b. Status – Beginning in June 2021, members became concerned with implementation challenges associated with several disclosure requirements. As a result, staff was requested to conduct a post-implementation review. The review consisted of numerous training and outreach sessions along with agency and focus group meetings, resulting in a fiscal year 2024 omnibus amendment to SFFAS 49 via SFFAS 63<sup>2</sup> and a fiscal year 2025 proposed Technical Release.

On May 16, 2025, the Accounting Standards Implementation Committee (ASIC) released for public comment an exposure draft of a proposed Federal Financial Accounting Technical Release (TR) titled *Implementation Guidance for SFFAS 49, Public-Private Partnerships*.

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<sup>2</sup> On April 12, 2024, FASAB issued SFFAS 63 Omnibus Amendments 2024-1: *Amending SFFAS 38, 49, and Technical Bulletin 2011-1*



- c. Next Steps – Staff is currently reviewing the comment letters from the TR proposal, contacting respondents as appropriate, and coordinating comments/suggestions with the P3 task force. Staff plans to brief the Board at the October 2025 meeting followed by an ASIC briefing in November.

## **9. Reporting Entity Reorganizations and Abolishments**

- a. Summary – The initial objectives of this research are to evaluate reorganization and abolishment accounting principles and disclosures and related practice issues and consider whether current accounting and disclosure standards and guidance applicable to reorganizations and abolishments are sufficient to meet practitioner and user information needs. If additional standards and/or guidance are determined to be needed, another objective would be to consider the development of standards and/or guidance addressing reorganizations and abolishments.
- b. Status – In fiscal year 2025, staff released a request for information and comment seeking information from practitioners to identify emerging accounting issues related to recent, ongoing, or potential reorganization activities and events.
- c. Next Steps – The Board continues to research and monitor this area and develop a longer-term project plan. During the August meeting, staff will discuss with the Board the possibility of moving this project to the research topic agenda.

## **10. Technical Clarifications of Existing Standards**

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

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

## **11. ASIC – Leases Implementation Guidance Updates**

- a. Summary - Since the issuance of SFFAS 54, *Leases*, in April 2018, the ASIC has completed numerous post-issuance activities. These activities have supported

effective and timely implementation and understanding of SFFAS 54 through implementation guidance.

- b. Status – SFFAS 54 became effective in fiscal year 2024.
- c. Next Steps – Staff will continue to monitor and identify implementation guidance candidates based on technical inquiries and outreach. Implementation guidance updates will be proposed to the ASIC if sufficient need exists to update or expand the existing guidance.

## **12. ASIC – P3 Implementation Guidance Updates**

- a. Summary – Since its issuance on April 27, 2016, practitioners have identified implementation challenges concerning SFFAS 49. Beginning in June 2021, members became concerned with implementation challenges associated with several disclosure requirements. As a result, staff was requested to conduct a post-implementation review. The review consisted of numerous training and outreach sessions along with agency and focus group meetings, resulting in a fiscal year 2024 omnibus amendment to SFFAS 49 via SFFAS 63<sup>3</sup> and a fiscal year 2025 proposed Technical Release.

Staff worked with the ASIC to develop technical guidance concerning Board identified implementation challenges and on May 16, 2025, the Accounting Standards Implementation Committee (ASIC) released for public comment an exposure draft of a proposed Federal Financial Accounting Technical Release (TR) XX: *Implementation Guidance for SFFAS 49, Public-Private Partnerships*. This proposed TR would assist reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 49, *Public-Private Partnerships: Disclosure Requirements*.

- b. Status – As noted above, the ASIC exposed TR XX: *Implementation Guidance for Public-Private Partnerships* for comment with a June 30th comment request date.
- c. Next Steps – Staff is currently reviewing the comment letters, contacting respondents as appropriate, and coordinating comments/suggestions with the P3 task force. Staff plans on briefing the Board at the October 2025 meeting followed by an ASIC briefing in November.

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<sup>3</sup> On April 12, 2024, FASAB issued SFFAS 63 Omnibus Amendments 2024-1: *Amending SFFAS 38, 49, and Technical Bulletin 2011-1*

## A. RECOMMENDATION

Staff recommends that the above projects on the Board and ASIC agendas continue, and that staff's use of detailees and interns be available to supplement FASAB staff resources to continue moving the projects forward, where appropriate.

## ANALYSIS

The twelve projects currently on the Board's technical agenda, including the ASIC projects, are assigned to the seven FASAB project managers. Please note that several project managers are managing two or three projects under the current technical agenda.

As a reminder, the Board determined the top five reexamination issue areas to be addressed in conjunction with last year's technical agenda session. Three of the five areas (Commitments Reexamination, Direct Loans & Loan Guarantees Disclosures Reexamination, and Federal GAAP Hierarchy Reexamination) are on the active technical agenda and one (Revenue Reexamination) is a research topic. The remaining prioritized topic, Subtopic environmental liabilities and legal claims when there are multiple parties involved, is anticipated to begin during 2026 when staff is available. In addition, purchases versus consumption method and environmental liabilities broadly were the next two reexamination areas receiving support from more than one member and will be considered in the project queue.

Although the Board plans to address all reexamination issue areas, considering the status of the current projects and topics previously prioritized remain to be addressed, staff does not believe a prioritization of the remaining reexamination areas is necessary at this time. This will be revisited annually as part of the technical agenda review as well as during the mid-fiscal year technical agenda review.

See the attached project timeline [**Attachment 2**], for projects expected to continue into fiscal years 2026 - 2028.

### **Question #1 for the Board:**

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

## CURRENT RESEARCH TOPICS

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

### **Current Research Topic:**

- Revenue Reexamination

## **Research Topic Summaries, Status, and Next Steps**

### ***Revenue Reexamination***

- a. Summary – Research will assist the Board in identifying accounting issues and opportunities to modernize and/or clarify revenue-related accounting principles.
- b. Status – The Board paused research activities during fiscal year 2025 due to the prioritization of the reporting entity reorganizations and abolishments project.
- c. Next Steps – Based on feedback from the Board staff will resume research on this project at the appropriate time.

## **B. RECOMMENDATION**

Pending the outcome of the technical agenda discussion, the Board may consider adding topics to its research agenda.

### **Question #2 for the Board:**

Does the Board agree that the revenue reexamination project should remain as a research topic? Are there other projects the Board would like to add to the research topic agenda?

## Proposed FY 2026 FASAB Project Schedule

Projects	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27	1Q28	2Q28
Commitments Reexamination	RE	RE	RE	DE	DE	DE	FI	FI	IS	IS	
Direct Loans & Loan Guarantees Disclosures Reexamination	RE	RE	RE	RE	DE	DE	DE	FI	FI	IS	IS
Federal GAAP Hierarchy Reexamination	RE	RE	RE	DE	DE	DE	FI	FI	IS	IS	
Land Post-issuance	FI	IS									
Leases Post-issuance	RE	RE	RE	RE	RE						
Intangible Assets/Software Technology	DE	DE	DE	DE	DE	FI	FI	IS			
MD&A: Implementing SFFAS 64	DE	DE	FI	IS							
MD&A: Implementing SFFAS 64 - Training	IT	IT	IT	IT	IT						
Public-Private Partnerships	RE	RE	RE	RE	RE	RE					
Reporting Entity Reorganizations and Abolishments	RE	RE	RE	RE	RE						
Technical Clarifications of Existing Standards	RE	RE	RE	RE							

ASIC Projects	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27	1Q28	2Q28
Leases Implementation Guidance	RE	RE	RE	RE	RE						
P3 Implementation Guidance	RE	FI	IS								

Research Projects	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27	1Q28	2Q28
Revenue Reexamination					RE	RE	RE	RE	RE		

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