

Memorandum

Non-Agenda Topics

August 1, 2025

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

OBJECTIVE

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

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

Technical Agenda Projects

- Intangible Assets Guidance
- Leases Post-implementation
- Management's Discussion and Analysis Implementation
- Reexamination
 - o Direct Loans & Loan Guarantees Disclosures
 - o GAAP Hierarchy
- P3 Implementation

Research Topics

- Revenue Reexamination

REQUEST FOR FEEDBACK

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

ATTACHMENT

1. Updates

Updates

Non-Agenda Topics

August 1, 2025

Attachment 1

TECHNICAL AGENDA PROJECTS

INTANGIBLE ASSETS GUIDANCE

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

Staff continues to coordinate with the working group to research and recommend accounting guidance for intangible asset standards. Staff will also develop a draft exposure draft for the agreed upon intangible asset concepts amendments in an omnibus concepts amendment Statement for the Board to consider in the future.

LEASES POST-IMPLEMENTATION

Staff plans to provide an issue paper regarding the "embedded leases" transitional accommodation at the October 2025 Board meeting. Staff also tentatively plans to provide another limited-scope update to the Board at the February 2026 meeting regarding fiscal year 2025 reporting results.

MD&A: SFFAS 64 IMPLEMENTATION

In May 2025, staff completed four months of trainings to assist agencies in transitioning MD&A reporting from SFFAS 15 to SFFAS 64. Staff is now developing a proposed Staff Implementation Guidance (SIG 64.1) based on information collected from these agency trainings.

In addition to developing SIG 64.1 proposal, staff continues to work with agencies on implementing SFFAS 64. In July 2025, staff worked with on the Department of Defense (DOD), Federal Aviation Administration (FAA), Federal Trade Commission (FTC) and National Reconnaissance Office (NRO) by reviewing and providing feedback on their draft MD&As to assist with their transition to SFFAS 64.

REEXAMINATION: DIRECT LOANS & LOAN GUARANTEES DISCLOSURES

At the June 2025 meeting, staff presented a credit reform education session for the Board with presentations from credit reform panelists. Staff has also established the loan disclosure task force. The objective of the task force is to research and provide recommendations to the Board on how to improve, clarify, and streamline the loan note disclosures. The task force is comprised

of individuals (preparers, auditors, and users) across the federal financial management community experienced in accounting for federal credit programs. The task force has federal and nonfederal involvement. The first meeting of the loan disclosure task force was on July 16th, 2025. The focus of the first task force meeting was to explain the objectives of the project and task force. The next meeting is planned for late August.

REEXAMINATION: GAAP HIERARCHY

The first FASAB GAAP hierarchy working group meeting was held in June. The meeting primarily focused on background information, objectives and approach of the project. The working group agreed that it is important to consider what characteristics 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.

This evaluation will help determine whether the current standard-setting process and the federal financial reporting environment continue to support each source of authoritative GAAP included in SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*, and, if so, whether the significance of that source to the body of authoritative GAAP and to stakeholders is appropriately reflected in the rigor of its required due process and ultimately its placement in the hierarchy. The next FASAB GAAP hierarchy working group meeting is planned for August.

P3 IMPLEMENTATION

On May 16, 2025, the ASIC Technical Release XX: *Implementation Guidance for Public-Private Partnerships* was exposed for comment with a June 30th comment request date.

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.

RESEARCH TOPIC

REVENUE REEXAMINATION

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

At the April Board meeting, the Board discussed resource limitations and project prioritization issues. It was noted that the staff member assigned to the revenue reexamination research project would be assigned to the proposed project on reporting entity reorganizations and abolishments. The Board agreed to add the proposed project to its technical agenda. The Board acknowledged that this would delay the continuation of research on the revenue reexamination project for the time being.