

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

**Invitation to Comment**  
***Reexamination of Existing Standards***

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

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

**Please provide your name.**

Name:

**Please identify your organization, if applicable.**

Organization:

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

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### **FASAB GAAP HIERARCHY QUESTIONS**

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

**Agree**

**SSA Response:** SSA is satisfied with the SFFAS 34 explanation of the GAAP hierarchy and its role in federal financial reporting.

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

**Disagree**

**Please explain your response,** including any perceived challenges with applying SFFAS 34 (for example, utility in applying SFFAS 34 to resolving accounting and

**Invitation to Comment**  
***Reexamination of Existing Standards***

reporting issues, need to clarify authoritative vs non-authoritative guidance, relationship to other standard setters when FASAB guidance is silent, inconsistencies with different levels of GAAP, or questions regarding the application of “practices that are widely recognized and prevalent in the federal government.

**SSA Response: SSA has not experienced challenges applying the GAAP hierarchy to accounting or reporting issues, nor have we experienced difficulties integrating guidance from other sources as applicable. We would like to note, however, that it would be beneficial if the reexamination project combines and streamlines interconnected guidance as much as possible. When guidance on a given topic is spread over multiple documents that in turn reference other documents, it creates a rather choppy reading and researching experience.**

**REEXAMINATION OF FASAB STANDARDS QUESTION**

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

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

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

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

**Please explain your response, including specific details<sup>3</sup> and examples to support your rationale, especially those ranked high priority and medium priority.** Provide information (including specific SFFAS references where appropriate) that would help the Board understand why the reexamination of a particular SFFAS might take precedence or be considered more important than other SFFASs. To accomplish this, the Board is seeking feedback from respondents on where they believe there are opportunities for the Board to improve guidance within the 23 reexamination topics. This includes the following potential improvements:

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

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

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

**Invitation to Comment**  
***Reexamination of Existing Standards***

- Streamlining authoritative guidance
- Eliminating or revising unclear requirements
- Eliminating disclosures and other required information that may no longer benefit users
- Filling gaps in the standards where the guidance either does not address or does not adequately address areas where federal financial reporting objectives are not being met
- Resolving inconsistencies in current practice
- Clarifying the standards (including addressing areas where the standards are difficult to apply)
- Reconsidering areas where there is significant preparer or audit burden versus perceived value of the information or other cost/benefit concerns
- Considering overlaps or redundancy in requirements

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

<b>Topic #1</b>	<a href="#">SFFAS 1</a> , <i>Accounting for Selected Assets and Liabilities</i> <a href="#">Interpretation 10</a> , <i>Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31</i> <a href="#">TB 2020-1</a> , <i>Loss Allowance for Intragovernmental Receivables</i>
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Choose a priority level.

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

<b>Topic #2</b>	<a href="#">SFFAS 2</a> , <i>Accounting for Direct Loans and Loan Guarantees</i> AS AMENDED BY: <a href="#">SFFAS 18</a> , <a href="#">SFFAS 19</a>
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Choose a priority level.

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

<b>Topic #3</b>	<a href="#">SFFAS 3</a> , <i>Accounting for Inventory and Related Property</i> AS AMENDED BY: <a href="#">SFFAS 48</a> <a href="#">Interpretation 7</a> , <i>Items Held for Manufacture</i>
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Choose a priority level.

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

<b>Topic #4</b>	<a href="#">SFFAS 4</a> , <i>Managerial Cost Accounting Standards and Concepts</i> AS AMENDED BY: <a href="#">SFFAS 55</a>
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Choose a priority level.

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

**Invitation to Comment**  
**Reexamination of Existing Standards**

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<b>Topic #5</b>	<p><a href="#">SFFAS 5</a>, <i>Accounting for Liabilities of The Federal Government</i>  AS AMENDED BY: <a href="#">SFFAS 12</a>, <a href="#">SFFAS 25</a>  <a href="#">Interpretation 2</a>, <i>Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS 4 and SFFAS 5</i>  <a href="#">Interpretation 4</a>, <i>Accounting for Pension Payments in Excess of Pension Expense</i>  <a href="#">TB 2002-1</a>, <i>Assigning to Component Entities Costs and Liabilities that Result from Legal Claims Against the Federal Government</i>  <a href="#">TB 2017-1</a>, <i>Intragovernmental Exchange Transactions</i></p>
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Choose a priority level.

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

<b>Topic #6</b>	<p><a href="#">SFFAS 6</a>, <i>Accounting for Property, Plant, and Equipment</i>  AS AMENDED BY: <a href="#">SFFAS 23</a>, <a href="#">SFFAS 40</a>, <a href="#">SFFAS 50</a>  <a href="#">Interpretation 9</a>, <i>Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 &amp; SFFAS 6</i>  <a href="#">TB 2006-1</a>, <i>Recognition and Measurement of Asbestos-Related Cleanup Costs</i> (as amended by <a href="#">TB 2009-1</a> and <a href="#">TB 2011-2</a>)  <a href="#">TB 2017-2</a>, <i>Assigning Assets to Component Reporting Entities</i></p>
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Choose a priority level.

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

<b>Topic #7</b>	<p><a href="#">SFFAS 7</a>, <i>Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</i>  AS AMENDED BY: <a href="#">SFFAS 20</a>, <a href="#">SFFAS 21</a>, <a href="#">SFFAS 53</a>  <a href="#">Interpretation 5</a>, <i>Recognition by Recipient Entities of Receivable Nonexchange Revenue: An Interpretation of SFFAS 7</i>  <a href="#">Interpretation 11</a>, <i>Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313</i>  <a href="#">TB 2002-2</a>, <i>Disclosures Required by Paragraph 79(g) of SFFAS 7 Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting</i>  <a href="#">TB 2017-1</a>, <i>Intragovernmental Exchange Transactions</i></p>
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Choose a priority level.

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

<b>Topic #8</b>	<a href="#">SFFAS 10</a> , <i>Accounting for Internal Use Software</i>
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Choose a priority level.

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

**Invitation to Comment**  
**Reexamination of Existing Standards**

	<a href="#">SFFAS 15</a> , <i>Management's Discussions and Analysis</i> <sup>4</sup>
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**Medium Priority**

**SSA Response:** SSA understands that FASAB is currently reviewing SFFAC 3 and SFFAS 15 and considering changes to the MD&A requirements. We would encourage FASAB to limit the addition of any new reporting requirements in the MD&A to keep that section of agency Performance and Accountability Reports (PAR) and Agency Financial Reports (AFR) concise. Current MD&A guidance gives management flexibility on what information to include which we appreciate.

<b>Topic #9</b>	<a href="#">SFFAS 17</a> , <i>Accounting for Social Insurance</i> AS AMENDED BY: <a href="#">SFFAS 26</a> , <a href="#">SFFAS 37</a>
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**Medium Priority**

**SSA Response:** SSA has two suggestions pertaining to the Statement of Social Insurance (SOSI) and related materials:

(1) In the SOSI table, include additional line items reporting the actuarial balance as a percent of taxable payroll or GDP on both an open and closed group. Including such metrics would put the large present value (PV) numbers in context so readers can better understand their magnitude.

(2) Consider reopening discussions about whether much of the Social Insurance information could be linked to other sources where it is already available (e.g., the Social Security Trustees Report). This could streamline agency processes and reduce the amount of information required to be included in AFRs. This change would likely require adjustments to requirements that do not match how information is calculated and presented in the other sources.

<b>Topic #10</b>	<a href="#">SFFAS 24</a> , <i>Selected Standards for the Consolidated Financial Report of the United States Government</i> <a href="#">SFFAS 32</a> , <i>Consolidated Financial Report of the United States Government Requirements: Implementing Statement of Federal Financial Accounting Concepts 4 "Intended Audience and Qualitative Characteristics for the Consolidated Financial Report of the United States Government"</i>
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**Choose a priority level.**

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

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

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

**Invitation to Comment**  
***Reexamination of Existing Standards***

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

<b>Topic #12</b>	<a href="#">SFFAS 29</a> , <i>Heritage Assets and Stewardship Land</i>
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Choose a priority level.

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

<b>Topic #13</b>	<a href="#">SFFAS 31</a> , <i>Accounting for Fiduciary Activities</i>
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Choose a priority level.

Choose a priority level.

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

<b>Topic #14</b>	<a href="#">SFFAS 33</a> , <i>Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates</i>
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Choose a priority level.

Choose a priority level.

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

<b>Topic #15</b>	<a href="#">SFFAS 34</a> , <i>The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board</i>
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Choose a priority level.

Choose a priority level.

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

<b>Topic #16</b>	<a href="#">SFFAS 36</a> , <i>Comprehensive Long-Term Projections for the U.S. Government</i>
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Choose a priority level.

Choose a priority level.

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

<b>Topic #17</b>	<a href="#">SFFAS 38</a> , <i>Accounting for Federal Oil and Gas Resources</i> <a href="#">TB 2011-1</a> , <i>Accounting for Federal Natural Resources Other Than Oil and Gas</i>
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Choose a priority level.

Choose a priority level.

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

<b>Topic #18</b>	<a href="#">SFFAS 39</a> , <i>Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statement on Auditing Standards</i>
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Choose a priority level.

Choose a priority level.

**Invitation to Comment**  
**Reexamination of Existing Standards**

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

<b>Topic #19</b>	<a href="#">SFFAS 44</a> , <i>Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</i>
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Choose a priority level.

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

<b>Topic #20</b>	<a href="#">SFFAS 47</a> , <i>Reporting Entity</i>
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Choose a priority level.

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

<b>Topic #21</b>	<a href="#">SFFAS 49</a> , <i>Public-Private Partnerships: Disclosure Requirements</i>
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Choose a priority level.

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

<b>Topic #22</b>	<a href="#">SFFAS 51</a> , <i>Insurance Programs</i>
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Choose a priority level.

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

<b>Topic #23</b>	<a href="#">SFFAS 52</a> , <i>Tax Expenditures</i>
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Choose a priority level.

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

	<a href="#">SFFAS 54</a> , <i>Leases</i> <sup>5</sup> AS AMENDED BY: <a href="#">SFFAS 57</a> , <a href="#">SFFAS 60</a> , <a href="#">SFFAS 61</a> <a href="#">TB 2023-1</a> , <i>Intragovernmental Leasehold Reimbursable Work Agreements</i>
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**SSA Response:** SSA would like to highlight two concerns and accompanying suggestions related to Leases:

1. Regarding [SFFAS 54](#), paragraphs 72-77: Our specific concern centers on the paragraph 76 statement that if an individual contract's components (plural) cannot be price allocated among themselves, "a federal entity should account for those components as a single lease unit." We think treating a contract, or contracts, that are overwhelmingly nonlease as a lease because they were created before the issuance of [SFFAS 54](#) and may have an insignificant embedded lease component that cannot be

<sup>5</sup> [SFFAS 54](#), *Leases*, is excluded from the reexamination project because the SFFAS is not yet effective. Respondents may provide general comments and feedback for the Board's consideration.



**Invitation to Comment**  
***Reexamination of Existing Standards***

quantified separate from nonlease components, would distort financial statement balances. We suggest that FASAB adopt the Alternate View/Practical Expedient presented in the Leases Transitional Accommodation (paragraphs A15-A26), to revise/replace paragraphs 72-77. This practical expedient would allow multiple component contracts that are predominantly lease to be treated as entirely lease, and those multiple component contracts that are predominantly nonlease be treated as entirely nonlease. This practical expedient is similar to what is already being done by FASB.

2. Regarding Technical Bulletin 2023-1: Paragraph 32 states that entities should recognize Reimbursable Work Agreements (RWAs) “unexpired at the beginning of the reporting period in which the TB is implemented.” The word “unexpired” means “an agreement not yet having come to an end.” It is our understanding that the General Services Administration (GSA) considers RWAs unexpired for the entire lease of the building that underpins the RWA. This could create disagreement among agencies and GSA as to recognition because RWAs are obligation agreements that are only in effect for the time it takes to complete the project described within the agreement (as per appropriation law and GSA’s RWA National Policy Manual). Therefore, an RWA obligation has a definite end-point – namely when the work is finished and complete (Section 4.1 RWA Life Cycle Phase “Cancellation, Completion, and Financial Closeout). Specifically, GSA issues a closeout letter once the “scope of work of the entire RWA has been completed and delivered” as per RWA National Policy Manual Section 4.1.5.2. To avoid potential disagreements between agencies and GSA, we recommend clarifying the intent of Paragraph 32 as to what is meant by “unexpired” and what should be recognized at the beginning of the reporting period in which the TB is implemented. As it currently reads, our agency would not recognize any significant RWAs for projects that have been completed and closed out. If the intention of the word “unexpired” in TB 2023-1 was to mean the work the RWA funded via the budgetary obligation was to provide a benefit over the term of the lease, it should be stated as such in the TB. For example, Paragraph 32 could have been worded, “Intragovernmental leasehold reimbursable work agreement costs for space still occupied at the beginning of the reporting period...”

	<p>SFFAS 56, <i>Classified Activities</i><sup>6</sup>          Interpretation 8, <i>An Interpretation of Statement of Federal Financial Accounting Standards 56, Classified Activities</i></p>
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**SSA Response:** SSA understands that FASAB intends to exclude SFFAS 56 from the reexamination project, but we nonetheless suggest removing the requirement in paragraph 12 that all Federal component entities must include a statement that “accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information,” while forbidding disclosure of whether SFFAS 56 actually applies to the entity. Although including this statement is certainly not an onerous requirement, we believe it provides limited to no useful service

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



**Invitation to Comment**  
***Reexamination of Existing Standards***

to the reader. It should be fairly simple to remove paragraph 12 via an omnibus amendment. We note that the requirement was not included in the SFFAS 56 exposure draft (as publicly viewable), so we did not have the opportunity to comment on this matter prior to release of the final document.

	<a href="#">SFFAS 59, Accounting and Reporting of Government Land</a> <sup>7</sup>
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Please provide feedback if you wish to do so. [Click here to enter text.](#)

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