

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

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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 SFFAS 59 Paragraph 4.a (amends paragraph 25 of SFFAS 6) states G-PP&E excludes withdrawn public lands.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

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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:

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