

*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.

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.