

Intangible Asset Task Force Meeting Minutes
September 23, 2021, 2:00 PM to 2:30 PM EST
Video Conference (Zoom)

This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

Attendance

Mr. Williams, FASAB senior analyst, conducted the meeting via Zoom. He did not take attendance due to the large number of attendees. It appeared that approximately 46 people attended the meeting.

Introduction

The task force meeting convened around 2:00 PM EST.

Welcome

Mr. Williams welcomed everyone to the meeting. He noted that this was the first official task force meeting since May 2021 and that significant Board deliberations had occurred since during the June and August meetings. He stated that this was an optimal time to assemble the task force again to inform them of the recent progress with the intangible assets effort and to discuss the way forward.

Meeting objectives

Mr. Williams specified that the meeting objectives were to (1) recap June and August Board meeting deliberations, (2) discuss the approved intangible asset project objectives and timeline, and (3) discuss next steps and future task force plans.

Recap of Board meeting deliberations

Mr. Williams then recapped the significant points from the June and August Board meeting deliberations. He explained that the June meeting served as an information and discussion session for the Board based on the task force research. During the August meeting, the Board deliberated how to move forward with the intangible assets project as they considered adding it to the technical agenda.

Please refer to the intangible assets project page and posted Board meeting minutes on the FASAB webpage for details on Board deliberations from the June and August meetings.

Board approved intangible assets project

Mr. Williams stated that during the August meeting, the Board officially added the intangible assets project to the technical agenda with three specific objectives. He explained that previously, the intangible assets project was considered a “research topic” with the goal of understanding whether there was a need for guidance development. Once the Board added it to the technical agenda, the intangible assets research topic became an active project with the goal of developing guidance.

Project objectives

Mr. Williams stated that the Board approved objectives of the intangible assets project are to:

- 1) Develop updates for software reporting guidance
- 2) Develop a working definition of intangible assets for the Board’s internal use
- 3) Further assess the costs versus benefits of developing reporting guidance for intangible assets

Project schedule and timeline

Mr. Williams stated that he would immediately begin working on the first two objectives while the third is on standby for the foreseeable future. He noted that the Board generally agreed it is necessary to consider further the costs vs. benefits of reporting guidance before deciding whether to develop intangible assets standards. However, the Board mostly agreed this objective was not as high a priority as the first two due to research indicating that there is not a strong need for intangible asset reporting guidance.

Mr. Williams then showed the task force a project schedule for all three objectives that depicted the planned timeline and milestones of each. He noted that he planned to work on the first two objectives concurrently and that the third objective was not scheduled to begin until August 2023. He caveated that the timelines were subject to change as the project progresses.

Next steps

Next, Mr. Williams briefed his plan for working with the task force to accomplish the Board approved objectives. He explained the initial milestones and deliverables for the first two objectives along with how volunteers could assist in the process.

Future task force involvement

Mr. Williams stated that he would form a smaller working group from current task force volunteers as well as new volunteers to begin the process of developing software guidance updates and a working definition of intangible assets. He caveated that he

was not yet certain if he would create two separate working groups for each objective and wanted to first observe volunteer interest. He noted that he plans to update and seek feedback from the larger task force on major milestones and deliverables but that the working group will provide more frequent and proactive assistance with the project objectives going forward.

Working group objectives

Mr. Williams established that the initial step for the first objective is to develop an issues paper to establish a framework and strategy for software guidance updates. The issues paper will identify existing guidance that needs updating, identify gaps in existing guidance that do not address significant software related resources, analyze the applicability of current software reporting guidance from other standard setters, and analyze the pros and cons of amending current guidance or rescinding and issuing new guidance.

For the second objective, Mr. Williams explained that the initial step is to develop a framework of characteristics and approaches for a definition for federal intangible assets based on definitions from other standard setting bodies, current FASAB guidance references to intangible resources, and task force survey results. He reiterated that the first objective was the primary effort and would require the most attention and resources and that objective two would occur parallel as a tangent effort.

One task force member asked if FASAB would consider updates for cloud-based computing services and agile software development processes as part of objective one. Mr. Williams responded that the working group would consider guidance updates for many federal software related assets to include cloud-based services, software-based information technology arrangements (SBITAs), agile/iterative software development processes, website development, software licenses, block chain technology, and any others that arise during the process. He further explained that it is important for the working group to first develop a scope for future software guidance updates in the issues paper by identifying characteristics of software type assets used among federal agencies.

Another task force member asked about the anticipated workload for the working group. Mr. Williams responded that the working group would be smaller and require more frequent and hands-on effort from volunteers than the previous task force research efforts. However, he stated that he would continue to lead the effort and conduct most of the work while seeking advice, expertise, and feedback from the working group. He also pointed out that because the working group is smaller, there will not be as many formal meetings, but more correspondence through email and phone. Finally, he reminded the task force that because they are volunteers, as always, FASAB just asks that they help to the best of their abilities. Staff understands that volunteers have full time jobs and will be flexible throughout the process.

Another task force member asked when staff anticipated beginning work on the project objectives and reminded staff that the accounting community would be busy in the next few months due to financial reporting timelines. Mr. Williams assured the task force that he understood the demands of financial reporting season and would consider this when engaging the working group for the next few months. He indicated that he would begin working on the objectives immediately himself but planned to have only one official meeting this year in early December and another meeting in January 2022 to develop the issues paper. However, he caveated that he would correspond with working group members throughout the year through email and phone.

Lastly, a task force member asked if multiple volunteers from the same agency could join the working group. Mr. Williams responded that he did not want to discourage anyone from volunteering and to therefore not worry about multiple people from the same agency volunteering. However, he noted that he might reassess later and ask that an agency appoint a primary participant for the working group with the others still supporting the effort.

Mr. Williams stated that based on the project schedule, he planned to brief the software guidance issues paper and intangible asset definition framework to the Board during the February 2022 meeting. He then encouraged task force members that have an interest in either two objectives to contact him about joining the working group. Specifically, for the first objective, he is looking for volunteers that have a general familiarity with federal financial reporting and knowledge of accounting, procurement, or operational issues with federal information technology. Volunteers can assist staff and the Board by providing insight, suggestions, and feedback on financial reporting guidance needs for various software-type assets in the federal government.

Conclusion

Mr. Williams concluded by thanking everyone again for all of their efforts. He reiterated the importance of the survey information as a great starting point on the project and that the effort brought to light potential intangible assets that exist throughout federal entities. He again encouraged interested task force members to volunteer for the working group and stated that he thinks it is a great opportunity to actively participate in FASAB's standard setting process.

The meeting concluded at approximately 2:30 PM EST.