

FASAB Exposure Draft: Omnibus Amendments

Questions for Respondents due April 23, 2019

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"/>	
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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"/>	
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Your responses should be sent to fasab@fasab.gov. If you are unable to respond by email, please fax your responses to 202-512-7366.

Q1. The Board is proposing to rescind Statement of Federal Financial Accounting Standards (SFFAS) 8, *Supplementary Stewardship Reporting*, in its entirety. SFFAS 8 designated the required supplementary stewardship information (RSSI) category for reporting stewardship investments; therefore, rescinding SFFAS 8 would eliminate the RSSI category and reduce confusion caused by the unique category designation. Refer to paragraph 2 and Appendix A, paragraphs A1-A3.

Do you agree or disagree with the Board’s proposal to rescind SFFAS 8 and eliminate the RSSI category? Please provide the rationale for your answer.

DoD Response: Agree. We agree with the proposed rescission of SFFAS 8, Supplementary Stewardship Reporting to eliminate the RSSI category. Currently, the DoD reports non-federal physical property and investments in R&D in the RSSI. By reporting these items separately, it may lead the financial statement user to infer that these items are either qualitatively or quantitatively

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material when in fact they may be immaterial to the statements. Additionally, the current standard may restrict the stewardship investment information from inclusion within the basic information disclosures where they may lend greater clarity to the statements. Therefore, the elimination of this standard will allow the reporting entity flexibility in presenting significant stewardship investment information in the basic financial statements or MD&A, as appropriate.

- Q2. Reporting entities have broad responsibilities and are called upon to report their goals, accomplishments, and costs in management's discussion and analysis (MD&A). For some reporting entities, stewardship investments are significant and warrant discussion in the MD&A. The Board believes reporting entities will present information on stewardship investments in the basic financial statements and MD&A when such activities are significant. No guidance or requirements are proposed in this exposure draft (ED), but the Board may propose requirements in a later ED. Refer to Appendix A, paragraph A4.

Do you agree or disagree that guidance is needed in the future? If so, please provide your suggestions regarding future guidance. Please provide the rationale for your answer.

DoD Response: Disagree. We disagree that additional guidance is needed regarding the inclusion of stewardship investment information within the MD&A. We believe the current guidance in SFFAS 15, Paragraph 1 adequately requires reporting entities to discuss their significant activities in describing their mission, program, and financial performance. Thus, if a reporting entity deems stewardship investments are significant to their operations they should appropriately include the information in the MD&A in accordance with the current standard.

- Q3. SFFAS 54, *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment*, amended the lease standards in SFFAS 5 and 6, including references to "capital" and "operating" leases. SFFAS 5, 6 and 49 include references to language amended by SFFAS 54. These proposed amendments further clarify the revised lease accounting standards by eliminating outdated references used in the standards. Refer to paragraphs 3-12.

Do you agree or disagree with the proposed amendments to SFFAS 5, 6 and 49? Please provide the rationale for your answer.

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***DoD Response: Agree.** We agree with the proposed amendments to SFFAS 5, 6, and 49, as these need to be updated to address references to lease terminology and lease criteria that have been amended by SFFAS 54. We also agree with the minor change to remove the phrase “material amounts of” from SFFAS 6, paragraph 26 for clarity purposes.*

The revision for paragraph 26 of SFFAS 6 strikes “material amounts of”. A corresponding change should be made in Technical Release 15: Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment and Allocation in paragraph 14.