

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"/>	
Federal Entity (preparer)	<input type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input checked="" type="checkbox"/>	If other, please specify: Department of Housing and Urban Development
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Nonprofit organization/Foundation	<input type="checkbox"/>	
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Your responses should be sent to [fasab@fasab.gov](mailto: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.**

HUD generally agrees with the proposal to rescind SFFAS 8 and to eliminate the RSSI category. HUD OCFO’s Office of Accounting notes this would remove a reporting requirement that users have not relied upon or utilized, while letting the reporting entities have the option to present investment information in categories more known to users. The additional time could be used in preparing other financial reports in a more timely and accurate manner since the current timeline is aggressive.

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- 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.**

HUD generally agrees with the issuance of further guidance. GNMA substantiates its agreement with the Board by noting that the guidance would be helpful as further requirements are issued by FASAB. Promulgated guidance that addresses users' needs and provides a steady-state for stewardship reporting would help preparers address their stewardship reporting process going-forward. The guidance should not be prescriptive but rather conceptual to allow the agency latitude in reporting its stewardship activities.

FHA expects the Board to outline proposed elements of stewardship investments that agencies should include in their basic financial statements in comparison to their MD&A; this guidance will allow for a governmentwide presentation of stewardship investments for agencies that warrant discussion.

In addition, HUD OCFO's Office of Accounting suggests:

- Include only a single year (or two years at most) of stewardship investments data in the MD& A (not five years as currently provided);
- Include discussion about the program supporting the stewardship investments and how the investments benefited the nation;
- Only apply to specific programs within an agency that have investments that are material to the agency consolidated financial statements (this can be based on historical agency stewardship investment trends).

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- 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.**

HUD agrees with the Board’s proposal to amend SFFAS 5, 6, and 49. The Board’s attempt to streamline guidance and add clarity to Accounting for Property, Plant, and Equipment and Lease standards are welcomed and necessary to improve governmentwide reporting.

Furthermore, GNMA notes a comprehensive review of the full SFFAS handbook should be made to ensure all citations are updated including those in SFFAC5, SFFAS 10 and other technical releases and bulletins.