

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

Melissa Loughan
(202) 512-5976
LoughanM@fasab.gov

December 23, 2014

NEWS RELEASE **FASAB Issues Statement of Federal Financial Accounting Standards 47, *Reporting Entity***

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 47, *Reporting Entity*.

“The federal community has relied on concepts developed in the 1990s to determine what organizations should be included in general purpose federal financial reports. Federal organizations have become increasingly complex over the past 20 years” according to Chairman Allen. “This guidance, together with existing guidance, will help ensure comprehensive financial information about federal reporting entities and complex relationships with other organizations is provided.”

SFFAS 47 establishes principles to identify organizations for which elected officials are accountable. The Statement also guides preparers of GPFFRs in determining what organizations to report upon, whether such organizations are considered “consolidation entities” or “disclosure entities,” and what information should be presented about those organizations. The Statement also requires information to be provided about related party relationships of such significance that it would be misleading to exclude information.

SFFAS 47 is effective for periods beginning after September 30, 2017 and early implementation is not permitted. It is anticipated that central agencies will determine if there is a need for coordinated guidance to ensure government-wide consistency.

SFFAS 47 is available at <http://fasab.gov/accounting-standards/authoritative-source-of-gaap/accounting-standards/fasab-handbook/>

ABOUT FASAB

The FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: www.fasab.gov.