



Annual Report
Fiscal Year Ended September 30, 2024

Three-Year Plan
Fiscal Years 2025-2027

Comments Requested by January 17, 2025

Issued November 15, 2024

Current FASAB Members

George A. Scott | Chair | 2019–2025 | Non-federal representative | 2016–2019

R. Scott Bell | Department of the Treasury | 2017–present**

Gila J. Bronner | Non-federal representative | 2016–2025

Robert F. Dacey | Government Accountability Office | 2004–present**

Diane L. Dudley | Non-federal representative | 2024–2029*

Carol S. Johnson | Office of Management and Budget | 2021–present**

Terry K. Patton | Non-federal representative | 2019–2029

Raymond Vicks | Non-federal representative | 2022–2027*

*Member is eligible for a second five-year term.

**Federal members are not term limited.

Organization

Three federal officials responsible for federal financial reporting—the Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States—established the Federal Accounting Standards Advisory Board (FASAB or “the Board”) in October 1990. These three officials possess legal authority under various laws to establish accounting and financial reporting standards for the federal government. Together, they entered into and have periodically modified a Memorandum of Understanding creating the Board as a federal advisory committee.

Membership comprises individuals from each of the three federal agencies that established the Board (the sponsors) and six non-federal individuals. The American Institute of Certified Public Accountants (AICPA) has designated the Board as the body that establishes generally accepted accounting principles (GAAP) for federal reporting entities.

Mission

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.

The Mission Supports Public Accountability

Financial reports, which include financial statements prepared in conformity with GAAP, 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.

Accounting and Auditing Policy Committee

The Accounting and Auditing Policy Committee (AAPC) is a permanent committee established by FASAB to improve federal financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues. The AAPC develops implementation guidance for existing accounting standards through Technical Releases (TRs). FASAB reviews all TRs before their issuance. The AAPC may not amend existing standards nor promulgate new standards.

The AAPC comprises representatives from the Chief Financial Officers Council (CFOC), the Council of the Inspectors General on Integrity and Efficiency (CIGIE), the Department of the Treasury, OMB, and the U.S. Government Accountability Office (GAO). FASAB’s executive director serves as chair of the committee. While the Board provides staff support, the committee accomplishes its mission largely through the efforts of task forces, which often include federal agencies representatives, independent public accounting firms, and nonprofit organizations.

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Fiscal Year (FY) 2024 Results in Brief

Statement of Federal Financial Accounting Standards (SFFAS) 62, *Transitional Amendment to SFFAS 54*
SFFAS 63, *Omnibus Amendments 2024-1: Amending SFFAS 38, 49, and Technical Bulletin 2011-1*
SFFAS 64, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15*

Statement of Federal Financial Accounting Concepts (SFFAC) 10, *Omnibus Concepts Amendments 2024: Amending SFFAC 2 with Note Disclosures and MD&A Concepts and Rescinding SFFAC 3*

Technical Bulletin (TB) 2024-1, *Seized and Forfeited Digital Assets* (exposure draft [ED] released 3/4/24, received 15 comment letters)

TR 22, *Leases Implementation Guidance Updates*

TR 23, *Omnibus Technical Release Amendments 2024: Conforming Amendments to Technical Releases 10, 16, 20, and 21* (ED released 2/15/24, received 17 comment letters)

Annual Report

FROM THE CHAIR

During the fiscal year, the Board successfully operated in both an in-person and virtual environment and will continue to do so in the near future. While it is always rewarding to meet in person as well as welcome visitors to personally observe the Board's deliberation, we realize that we can reach more interested parties operating in a multimedia environment. I am very pleased we have completed several major projects and are moving forward on several others that have significant implications toward improving financial accountability and transparency. I want to congratulate the Board members and staff for working effectively together in a collegial manner to continue to meet the high bar we have set for this Board.

FY 2024 Major Accomplishments

In June, the majority of the Board voted to release the final Statements on management's discussion and analysis (MD&A) and note disclosure concepts. They were issued on September 27, 2024. SFFAS 64, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15*, is effective for FY 2026 with early implementation permitted. This concludes over five years of intensive research, stakeholder involvement at every juncture of this project, and Board deliberation efforts. I want to commend the Board members for their commitment to the important project and their willingness to always listen, thoughtfully consider all perspectives and reach a consensus approach. This will improve the accountability and transparency of federal financial reporting.

It is the Board's intent for SFFAS 64 to:

- Incorporate all standard-based language in one standard;
- Streamline MD&A to focus on material changes;
- Encourage flexibility for how management can prepare MD&A content;
- Help preparers to focus on identifying and explaining the underlying causes of significant changes to and trends in financial statement balances; and
- Guide management in how to prepare a balanced, concise, integrated, and understandable MD&A that is useful for all users, especially those who are not experts in federal government financial matters, to understand a reporting entity's financial position and condition.

The Board is committed to assisting preparers in successfully transitioning and implementing the new MD&A approach. FASAB staff will collaborate with federal entities and offer training sessions in FY 2025. I encourage all preparers interested in this opportunity to monitor the Board's [website](#) to take advantage of these new training opportunities.

Last fiscal year the Board released an Invitation to Comment (ITC), *Reexamination of Existing Standards*, which was the first phase of our long-term standards reexamination project. This Board is dedicated to ensuring our standards are effectively providing for the reporting of financial information, which improves financial accountability and meets user needs. The responses we received from stakeholders as well as follow-up conversations with respondents and focus groups will be invaluable to the Board as we prioritize future projects from this effort. The hope of the Board is such insightful feedback from the public will assist the Board in improving the relevancy, completeness, and user benefit of previously implemented standards. The scope of this project will impact the technical agenda for many years to come. In August, the Board added several projects to the technical agenda based on the ITC feedback. Additionally, the Board preliminarily agreed on a priority list of projects in the future as resources become available.

After concluding a year of Board education discussions on climate-related financial reporting and accounting, the Board has begun to consider the development of a climate-related financial reporting framework. Tentatively, the Board has agreed on a vision statement to guide the Board in future deliberations. It is the intent of the Board to provide users with relevant information on the current and potential impact of climate-related events and risks on a federal reporting entity's financial position, financial condition, and operating performance results.

There are too many other significant projects to mention in my letter, but I encourage you to read the rest of this report and if you have questions about a specific project, please contact the lead project staff.

FY 2025 Technical Agenda

At the August meeting, the Board approved the 2025 technical and research agendas which are discussed in more detail in this report. The Board's 2025 technical agenda will continue to be robust and challenging and will address the following topics:

- MD&A Reporting – providing SFFAS 64 implementation guidance.
- Reporting of Government Land Phase II – providing SFFAS 59, *Accounting and Reporting of Government Land*, implementation guidance.
- Leases – monitoring implementation and updating leases implementation guidance.
- Public-Private Partnerships (P3) Phase II – addressing P3 measurement and recognition.
- Reexamination of Existing Standards – moving to the research project phase to address issues raised by stakeholders. Projects approved include:
 - Commitments – developing a financial reporting framework for qualifying arrangements.
 - Direct Loan and Loan Guarantee Disclosures – reassessing current financial disclosure requirements.
 - Federal GAAP Hierarchy – updating, clarifying, and simplifying SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.
 - Revenue – placed on the research agenda for additional research and to develop an approach to address issues identified.
- Accounting and Reporting of Software Technology – developing accounting and financial reporting guidance.
- Climate-Related Financial Disclosures – developing a climate-related financial disclosure framework.

These projects all clearly reflect the Board's focus on continuing to improve the transparency of financial activities and accountability of the federal government and its components.

Outreach Efforts

I am pleased to report that the Board's educational outreach efforts have continued to expand. The Board and staff continue to explore ways to expand the Board's outreach. This year FASAB provided its annual update of Board activities virtually to approximately 800 participants. Outreach efforts are not just with our reporting community. Both the Board and staff continue to increase communication and collaboration with other standard-setting organizations through regular discussions on topics of mutual interest, such as climate-related financial reporting, and mutual monitoring of other standard-setter activities. I encourage anyone who follows the Board's activities to subscribe to our [YouTube channel](#).

Board Transitions

As of June 30th, Sallyanne Harper's term on the Board ended. The Board, staff, and friends celebrated her service and contributions to the Board at the June meeting. We will miss her insights, dedication, collegiality, and experience. I wish to thank her for always exhibiting the best characteristics of what all FASAB members should strive to be.

I am pleased to announce that, as of July 1st, Diane Dudley joined the Board. Diane is the retired KPMG partner-in-charge of the federal audit practice, which provided federal financial statement and performance audits. She was responsible for overseeing the practice's business and financial operations, including recruiting and retention. As a lead audit partner, she was responsible for overseeing the overall audit strategy, assessing audit risks, developing audit programs, providing the partner review of critical audit areas, and drafting audit reports performed in accordance with *Government Auditing Standards*. I look forward to her sharing her career experience with the Board.

During January, Pat McNamee resigned from the Board. Pat was a valuable member of the Board, and his knowledge, dedication, and experience will be missed. We wish him well in his future activities. The Appointments Panel and sponsors are in the process of appointing a new member and expect to do so before the end of the 2024 calendar year.

Thank You

As I conclude every year, I want to express my gratitude to all those engaged in FASAB's success—my fellow Board members, FASAB's executive director and her staff, the members of the Appointments Panel, members of the AAPC, those serving on FASAB task forces, and all who read and respond to our requests for input. Your continuing passion and dedication make the Board's work possible.



George A. Scott
FASAB Chair

FROM THE EXECUTIVE DIRECTOR

FASAB has been very much engaged during the fiscal year with multiple technical projects and other activities. Both the members and staff have worked diligently through the deliberative process to develop meaningful accounting guidance, seek constituent feedback, and provide necessary implementation assistance.

During the fiscal year, the Board requested stakeholder feedback on a number of proposals, including omnibus standards amendments, seized and forfeited digital assets, and omnibus conforming TR amendments.

The Board also released final pronouncements on the rescission and replacement of the MD&A standards, omnibus concepts amendments, seized and forfeited digital assets, and omnibus standards amendments, including conforming TR amendments to ensure adequate implementation guidance on final pronouncements.

After more than five years of Board deliberations, staff research and analyses, and continued collaboration with the federal community, the Board issued SFFAS 64, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15*. I applaud the federal preparers, auditors, and financial report users for working alongside the Board and staff to develop a concise set of principle-based standards that will guide federal reporting entity's management in preparing a discussion and analysis that is balanced, concise, integrated, and understandable, as well as useful for report users.

Other important projects, like reexamination of existing standards, software technology, climate-related financial reporting, land implementation, P3s, and leases implementation are also progressing.

I also want to note the exceptional outreach and training activities of the FASAB staff. Staff members have planned, participated in, and led numerous training sessions, including another successful virtual FASAB Annual Update in May that was attended by approximately 800 participants. The FASAB staff deserves the recognition for their amazing talents, providing volumes of valuable free training to the federal financial reporting community. I have to extend many thanks to the Board members for their continued support of staff's training and outreach activities.

We are also excited to continue our hybrid Board meetings and invite observers to experience our meetings either virtually or in-person.

The Board undertakes major projects and addresses other matters throughout the year as time and resources permit. This annual report and three-year plan summarize technical activities achieved to date, project relationships, and the Board's plans for the next three years.

In August 2024, the Board discussed its priorities and adjusted the three-year plan. Awareness of emerging issues and other ideas help ensure the Board makes consistent decisions across related projects.

Each project on the technical agenda applies to the government-wide and component reporting entities that prepare and present general purpose federal financial reports (GPFFRs) in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

The Board plans the technical agenda based on the following factors:

- The likelihood a potential project will significantly contribute to meeting the reporting objectives established in SFFAC 1, *Objectives of Federal Financial Reporting*
- The pervasiveness of the issue amongst federal entities, users of GPFFRs, Congress, and program managers

- The resource requirements and competing technical agenda priorities
- The effects on burden of preparers and auditors

The technical activities and three-year plan should help those who use, prepare, and audit federal financial reports to participate fully in the standard-setting process and plan for changes in GAAP.

After considering factors that may influence project priorities, the Board begins its planning by reviewing its current research projects, as well as potential projects identified through submissions of technical inquiries from the public or identified by members, staff, and other sources. *FASAB encourages all stakeholders to submit suggestions to the three-year plan or any aspect of this material, including suggestions on additional ideas for inclusion in the Annual Report, by January 17, 2025.*



Monica R. Valentine
FASAB Executive Director

Please provide your comments by email to fasab@fasab.gov. We will confirm receipt of your comments. If you do not get a confirmation, please contact our office at (202) 512-7350 or fasab@fasab.gov to determine if your comments were received. If you are unable to email your responses, please call (202) 512-7350 to make alternate arrangements.

FISCAL YEAR 2024 STANDARD-SETTING COLLABORATION, EDUCATION, AND OUTREACH ACTIVITIES

FASAB engages in a number of standard-setting activities as part of its due process efforts throughout the year to support the federal financial management community.

During the research phase (RE) staff collects information to assist the Board in determining the best course of action for each project by providing members with research and various position papers.

- **Educational sessions** – Staff recruits and coordinates with subject matter experts (SMEs) to deliver information during Board meetings that will enhance members’ understanding of issues.
- **Coordination with other standard setters** – Staff researches the efforts and output of other standard setters, such as the Governmental Accounting Standards Board, the Financial Accounting Standards Board, and IPSASB, to provide information to the Board.
- **Round tables** – Staff recruits SMEs from agency preparers, auditors, think tanks, GPFFR users, OMB, the Congressional Budget Office (CBO), and congressional staff to participate in research sessions to provide information and insight to the Board about how guidance supporting GPFFR preparation can be enhanced.
- **Surveys** – Staff occasionally conducts surveys through open calls to the public to help conduct research to present to the Board.

During the development and ED phase (DE) staff collects information to assist the Board in developing EDs, which solicit input from the federal financial community and users of GPFFRs on proposed guidance. DE outreach activities may include:

- **Collaboration with other standard setters** – Staff continues to monitor the work of other standard setters to identify collaboration opportunities.
- **ITC** – The Board may solicit comment on issues that might be addressed by the Board in the future or alternative solutions to issues currently under consideration.
- **Preliminary Views (PV)** – A PV document presents the Board’s preliminary solution or alternative solutions. For example, the Board issued a PV document several years ago on accounting for social insurance to communicate the primary and alternative views of members and to solicit feedback before developing an ED.
- **Task forces and working groups** – Staff recruits SMEs, such as agency preparers, auditors, OMB staff, and CBO researchers that work in collaboration with staff to prepare and deliver information during Board meetings, provide expert views, and develop recommended solutions.

During the resolution and finalization phase (FI) staff assists the Board with finalizing a pronouncement. FI outreach activities may include:

- **Clarification discussions** – The Board may invite certain respondents to clarify comment letters.
- **Public hearings** – The Board may request staff to identify and coordinate the appearance of interested parties to address the Board directly before finalizing a pronouncement.

Before implementation of standards, outreach activities may include:

- **Implementation group meetings** – To assist in implementing standards government-wide, staff liaisons may meet with staff from agencies, OMB, and/or Treasury’s Bureau of the Fiscal Service to provide implementation assistance. Staff coordinates updates to related guidance, including but not limited to the Treasury Financial Manual or U.S. Standard General Ledger.

Members and staff engaged in outreach activities throughout the fiscal year for a wide array of audiences:

- **FASAB annual update** – Staff presents an update every spring, awarding four free government CPE hours to those who attend. FASAB staff hosted approximately 800 participants at the FY 2024 annual update in May.
- **Professional organization presentations** – Board members and staff provide updates and other relevant federal financial information to professional organizations, such as the AICPA; Association for Federal Enterprise Risk Management; AGA—national and local chapters; Institute of Internal Auditors; and Institute of Management Accountants.
- **Educational briefings** – Board members and staff develop and present targeted briefings to agencies as well as to congressional staff, agency leadership, college classes, and delegations from other countries about both Board efforts in general and specific issues of interest.
- **Published articles** – Board members and staff write articles to address current federal financial management topics.
- **Workshops and trainings** – Staff develops and delivers workshops and trainings in response to federal accounting professionals' educational needs.
- **Staff liaisons to federal government working groups** – Staff collaborates with interagency councils and working groups to enhance their awareness of Board efforts and current issues, including the CFOC, CIGIE, Defense Audit Remediation Working Group, Financial Statement Audit Network (FSAN), and the Joint Financial Management Improvement Program.

Technical Inquiries

Staff engages in extensive research to provide clarification on federal GAAP-related technical inquiries received from preparers, auditors, inspectors general, consultants, and individuals on general and agency-specific accounting issues.

As staff researches technical inquiries received, assessments are made to determine if GAAP exists to address the technical issue or if the issue requires Board deliberation or AAPC guidance.

Ongoing Educational and Outreach Activities

Mr. Scott and Ms. Valentine continued to address the need for outreach and training, and the entire FASAB staff dedicated their time, resources, and talents to FASAB's outreach program and training the community. These trainings have not only aided in the community's specific knowledge and awareness of FASAB publications, but also helped establish relationships with our users throughout the community.

In 2021, FASAB entered into a Memorandum of Agreement with the National Defense University (NDU). This agreement permits a selected FASAB staff member to serve as Visiting Professor at the CFO Academy, which is part of the College of Information and Cyberspace within the NDU. Mr. Domenic Savini currently serves as the Visiting Professor at the CFO Academy.

During FY 2024, FASAB staff has spent significant time and effort finding ways to improve the training experience for the federal financial community. FASAB staff is currently working to streamline the registration process, increase the trainer pool, and update the most popular courses.

FASAB staff plans to offer many trainings for free to the federal financial community in FY 2025, such as:

- SFFAS 49 - P3 Accounting & Reporting (3 CPE hours)
- FASAB Accounting Concepts and Standards (8 CPE hours)
- Federal Accounting for Climate-Related Events (1 CPE hour)
- Accounting for Internal Use Software (1.5 CPE hours)
- Understanding Government Debt Reporting (3 CPE hours)
- Implementation of SFFAS 54 (1-2 CPE hours)
- Federal GAAP Hierarchy (1-4 CPE hours)
- Statement of Budgetary Resources, A Primer Course (8 CPE hours)

Representative Annual Update Feedback (Comments from Attendees)

- "This was helpful to hear the updates from multiple areas. The presenters were informative and left plenty of time for questions."
- "I thought the conversations were very engaging, and the information was useful. I liked very much that participants could ask questions and that the questions received responses. Thanks so much!"
- "The training is well planned and executed. Presenters are organized and explain things clearly. Well done and thank you. Keep up the good work!"
- "I found the update very helpful and informative and would be interested in attending more FASAB updates/trainings throughout the year, if available."

FY 24 BY THE NUMBERS

Presentations

FASAB staff gave **18** presentations, most of which were at professional conferences sponsored by the Department of Defense (DoD), AGA National office, AICPA, and various local AGA chapters.

This outreach reached over **3,427** participants who received over **6,010** CPEs.

Annual Update

FASAB staff hosted its third virtual annual update, awarding **4** government CPE hours to approximately **800** participants.

Government Working Groups

FASAB staff participated in various federal working groups, including FSAN, the U.S. Global Change Research Program, and the AGA Certificate of Excellence in Accountability Reporting Board.

Technical Inquiries

FASAB staff addressed **14** formal technical inquiries submitted by the community.

GOVERNANCE, OPERATIONS, AND BUDGETARY RESOURCES

Governance

The Steering Committee members continue to affirm their commitment to supporting the resource needs of the Board. The committee demonstrated this by maintaining FASAB staff levels despite ongoing budget constraints faced by all federal agencies.

Budgetary resources, including a comparison to actuals, are reported on [page 13](#). Final FY 2025 resources are dependent upon appropriations established through the federal legislative process. The committee also conducted the executive director's annual performance appraisal and established expectations.

During the fiscal year, Jason Kirwan (FASAB general counsel) and James Lager (GAO deputy ethics advisor) provided members with annual training on both Federal Advisory Committee Act (FACA) requirements and ethics. Such training is helpful to update and remind members of important federal requirements and to answer questions.

Mary Foelster (AICPA senior director for governmental auditing and accounting) provided members with annual training on the AICPA's monitoring of FASAB's continued conformance to the criteria for a GAAP standard-setting body. The Board made no revisions to its mission statement (adopted in FY 2012) or its rules of procedure (revised in FY 2023). The Board revised its *Statement of Responsibilities and Characteristics of Members* (adopted in 2024) to clarify the ethics policy regarding outside employment for non-federal members.

Operations

Members confirm their independence and adherence to the ethics policy and complete a Board assessment survey. These actions provide information needed for an annual assessment of conformance to the five AICPA criteria essential for a GAAP standard-setting body. This report summarizes the results for the public and the Appointments Panel.

Each member's survey response identifies changes—positive or negative—in the Board's performance relative to the criteria. Members explain their views and offer suggestions for improvement.

In addition to these annual processes, members agree that the AICPA will be notified of any reportable events of undue



OUR GOVERNANCE TEAM

The **Steering Committee** is composed of the chair and the members representing the three federal sponsors. The committee annually reviews the operating budget, approves contracting activities, provides the executive director's annual performance appraisal, and collaborates with the executive director on the upcoming year's expectations. The committee also actively participates in the Appointments Panel.

The **Appointments Panel**, established in 1999, assists the Board's sponsors in recruiting and selecting non-federal members and advises the Board regarding improvement efforts. The panel comprises the members of the Steering Committee, two representatives of the AICPA, and one representative of the Financial Accounting Foundation (FAF). The panel's assistance contributes greatly to the Board's independence and continued conformance to the criteria for a GAAP standard-setting body. The panel reviews this annual report and monitors annual performance survey results. The panel would convey any concerns to the AICPA in a timely manner.

Appointments Panel Members

George A. Scott, Chair
R. Scott Bell, Treasury
Robert F. Dacey, GAO
Manju Ganeriwala, FAF
Deidre Harrison, OMB
D. Scott Showalter, AICPA
Graylin Smith, AICPA

FASAB General Counsel

Jason Kirwan

FASAB Executive Director and Designated Federal Official

Monica R. Valentine

influence if and when they occur. Together, these efforts serve to alert the AICPA to significant changes relevant to the established criteria and to ongoing recognition of FASAB as the GAAP standard-setting body for federal governmental entities. The resignation of one Board member in January 2024 was reported to the AICPA. Again this year, members confirmed they conformed to the requirements regarding independence, ethics, and reporting undue influence.

Further, member survey results identified several areas that contributed to the effectiveness and efficiency of the Board during the year:

- Agency practitioner/preparer and auditor insights are relevant, useful, and informative throughout the standard-setting process—not just during the research phase, but also during the deliberative phase of standard/guidance development.
- Continue to strive to strike the appropriate balance between (1) timeliness and efficiency and (2) ensuring that due diligence and the deliberative process are followed.
- Staff papers have greatly improved by providing a more thorough explanation of standards developed by other standard-setting bodies.
- Clear, ongoing communication of the importance, relevance, and added value of Board efforts are critical, especially in areas that are not universally embraced by the user, auditor, and preparer communities.
- The importance of continuous engagement and outreach with the CFO Council and CIGIE in particular, but also in other government forums to ensure that the federal financial community is aware of (1) FASAB's current and ongoing efforts, (2) the resources available to the community to remain informed, and (3) the community's important role/responsibility to stay informed and respond to Board requests for input and review on draft pronouncements.
- The Board should continue to adapt and focus its efforts on how current and prospective federal accounting guidance can be enhanced, refined, and streamlined to improve transparency while minimizing preparer burden.

AICPA CRITERIA FOR A GAAP STANDARD-SETTING BODY

Independence: The body should be independent from the undue influence of its constituency.

Due Process and Standards: The body should follow a due process that is documented and open to all relevant aspects or alternatives. The body's aim should be to produce standards that are timely and that provide for full, fair, and comparable disclosure.

Domain and Authority: The body should have a unique constituency not served by another existing AICPA Code of Professional Conduct 1.320.001 standard-setting body. Its standards should be generally accepted by its constituencies.

Human and Financial Resources: The body should have sufficient funds to support its work. Its members and staff should be highly knowledgeable in all relevant areas.

Comprehensiveness and Consistency: The body should approach its processes comprehensively and follow concepts consistent with the AICPA's Code of Professional Conduct 1.320.001 for other existing standard-setting bodies for analogous circumstances.

ANNUAL CONFIRMATIONS PROVIDED BY EVERY MEMBER

Independence: I acknowledge that I have neither personal nor external impairments that will keep me from objectively reaching independent conclusions on matters under consideration by FASAB, nor did I during the preceding fiscal year. I will promptly notify the chair if my independence is or may be impaired.

Ethics: I have reviewed the FASAB ethics policy and confirm that I satisfied all requirements and limitations established under the policy during the preceding fiscal year.

Undue Influence: I have notified the Chair of any and all matters that I judge to be undue influence. "Undue influence" is defined as external influences or pressures that impact a member's ability to objectively reach and/or communicate independent conclusions.

Also, the Board discussed and agreed to the following ways to further improve the Board's processes:

- Staff will develop and implement best practice guidelines for preparing Board briefing materials to improve their consistency.
- Both staff and members will explore opportunities to broaden FASAB's outreach activities.

This year's survey results are generally consistent with the previous four years. The Board's most notable five-year trend was sustained quality in the areas of comprehensiveness and consistency and knowledge of members and staff, as well as improvements noted in the area of due process.

Budgetary Resources

Actual FASAB funding is dependent on the final FY 2025 appropriations of the FASAB sponsors. [Table 1, Budget/Actual FY 2023-2024 and FY 2025 Budget](#), presents budgeted and actual resources for FY 2023 and FY 2024, as well as anticipated resources for FY 2025.

Table 1: Budget/Actual FY2023 – 2024 and FY 2025 Budget (dollars in thousands)

	FY 2023		FY 2024		FY 2025 ¹
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
Staff Salaries and Benefits	\$1,957.2	\$1,993.1	\$2,201.9	\$2,235.0	\$2,339.7
Member Compensation	187.9	186.7	193.8	176.8	200.9
Travel	40.0	15.3	60.0	26.7	45.0
Education and Training	11.0	7.8	12.0	7.5	12.0
Admin Cost	74.1	74.4	83.2	82.3	87.6
Other	16.0	18.7	17.0	14.0	17.0
Totals	<u>\$2,286.2</u>	<u>\$2,296.0</u>	<u>\$2,567.9</u>	<u>\$2,542.3</u>	<u>\$2,702.2</u>

¹Actual FASAB funding is dependent on the final FY 2025 appropriations of the FASAB sponsors

FY 2023 and FY 2024 actual travel costs are lower than the budgeted amount due to the Board incorporating more virtual meetings during both fiscal years.

FY 2023 and FY 2024 actual benefits were higher than budgeted amounts due to underestimated benefit rate calculations.

FY 2024 Annual Report for Technical Activities and Three-Year Plan for the Technical Agenda

FASAB is subject to FACA and therefore follows a due process to manage the technical agenda and promulgate federal GAAP that can be summarized into three phases: research; development and ED; and resolution and finalization.

During the **research phase (RE)**, the Board considers initial staff research, input from collaboration and outreach activities, and the project plan to determine the best course of action for the project. During the **development and ED phase (DE)**, staff applies research and recruits task forces to help the Board develop an ED. During the **resolution and finalization phase (FI)**, the Board further deliberates on EDs based on comment letters, prepares pre-ballot revisions, and votes on final pronouncements.

FASAB sends Board-approved pronouncements to its sponsors, OMB, GAO, and Treasury, before publication.

For detailed histories and context behind FASAB's projects, see the [Active Projects](#) and [Archived Projects](#) pages at [FASAB.gov](https://fasab.gov). A consolidated work plan matrix is included in [table 2](#).

FY 2024 Results in Brief

SFFAS 62, *Transitional Amendment to SFFAS 54*

SFFAS 63, *Omnibus Amendments 2024-1: Amending SFFAS 38, 49, and Technical Bulletin 2011-1*

SFFAS 64, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15*

SFFAC 10, *Omnibus Concepts Amendments 2024: Amending SFFAC 2 with Note Disclosures and MD&A Concepts and Rescinding SFFAC 3*

TB 2024-1, *Seized and Forfeited Digital Assets* (ED released 3/4/24, received 15 comment letters)

TR 22, *Leases Implementation Guidance Updates*

TR 23, *Omnibus Technical Release Amendments 2024: Conforming Amendments to Technical Releases 10, 16, 20, and 21* (ED released 2/15/24, received 17 comment letters)

FASAB worked on the following projects during FY 2024:

- Accounting and Reporting of Government Land
- Climate-Related Financial Reporting
- Intangible Assets
- Leases
- P3s
- Reexamination of Existing Standards
- Reporting Model
 - Omnibus Concepts Amendments 2024
 - MD&A
- Technical Clarifications and Omnibus Amendments¹
 - SFFAS 3 Seized and Forfeited Digital Assets
 - Omnibus Amendments 2024-1
 - Liaison with DoD

For more detailed information on project milestones and goals for the next three fiscal years, please see the individual project descriptions that follow.

RE = research phase

DE = development and ED phase

FI = resolution and finalization phase

■ = Project concludes

■ = Project next steps TBD

¹ The Omnibus Amendments and Technical Clarifications of Existing Standards projects merged into one project.

Accounting and Reporting of Government Land

The Board issued SFFAS 59, *Accounting and Reporting of Government Land*, on July 30, 2021. SFFAS 59 ensures consistent accounting treatment and reporting for land holdings while considering user information needs. The Statement (1) requires reclassifying general property, plant, and equipment (G-PP&E) land as a non-capitalized asset, (2) clarifies the definition for the stewardship land (SL) category, (3) requires the reporting of G-PP&E land and SL using three predominant use sub-categories: conservation and preservation land; operational land; and commercial use land, and (4) requires consistent and comparable disclosures of nonfinancial information for land (that is, reporting estimated acres of land and predominant land use, and estimated acres of land held-for-disposal or exchange).

The Board believes that these requirements address concerns that the stewardship and operating performance reporting objectives and qualitative characteristics, such as relevance and comparability, are not being met. Balancing preparer concerns and user needs, the Board agreed to adopt a transitional approach wherein the changes will initially be presented as required supplementary information (RSI) before transitioning to note disclosures.

The Board agreed to adopt a transitional approach after receiving additional feedback from the preparer community and considering the impact of the COVID-19 pandemic on agencies' ability to implement this Statement. Accordingly, the Board delayed the Statement's effective date by one year and allowed information to be presented as RSI for FYs 2022 through 2025, with the expectation that in FY 2026, RSI will transition to note disclosures and G-PP&E land and permanent land rights will be removed from the balance sheet. The Board believes that the extension and four-year transition period coupled with its monitoring process should allow adequate time to identify and address implementation challenges, including any cost-benefit considerations, while it is reported as RSI.

Given the potential implementation challenges related to SFFAS 59, the Board agreed to include a separate project on its technical agenda to monitor implementation challenges and to assess the need, as appropriate, for actions to address those challenges prior to transition of the RSI requirements to the notes. Consistent with Board principles and practice, such actions may include staff guidance, AAPC guidance, Interpretations, or additional standards, as determined appropriate based on Board deliberations. The Board intends to establish working groups comprising stakeholders, including major land-holding agencies and users, to conduct these assessment and research activities.

FY 24 (work completed as of September 30, 2024)	RE – Staff (1) began monitoring implementation efforts at the major land-holding entities and answering preparer/auditor inquiries and (2) moderated a land panel discussion at FASAB's Annual Update on May 9.
FY 25	RE
FY 26	DE / FI
FY 27	

Climate-Related Financial Reporting

The objective of the climate-related financial reporting project is to provide guidance for reporting entities to account for and report on the financial effect of climate-related events and climate-related financial risk in federal financial reports. To accomplish this, the Board decided to address climate-related financial reporting in two phases.

In the first phase, FASAB developed a non-authoritative staff education paper titled *Statements of Federal Financial Accounting Standards That May Be Relevant to Climate-Related Financial Reporting*. FASAB staff published the paper in May 2022, and it catalogs existing SFFASs that may be relevant to account for or report on the effects of climate-related events that have occurred and the potential effects of climate-related financial risks that may occur in the future.

At the August 2023 meeting, the Board agreed to begin developing a climate-related financial reporting framework using International Financial Reporting Standards S2, *Climate Related Disclosures*, which were published by the International Sustainability Standards Board. However, members were concerned that S2 is an extensive list of non-financial requirements, which may not support FASAB's mission and concepts.

At the December 2023 meeting, the Board identified the vision for the framework: The vision for climate-related financial reporting is to provide users relevant information on the current and potential impact of climate-related events and risks on a federal reporting entity's financial position, condition, and key performance results.

At the June 2024 meeting, the Board reviewed the S2 climate disclosures to determine which may be relevant for federal financial reporting.

At the August 2024 meeting, the Board received an education session from climate-related SMEs. Members learned there is no federal definition for "climate-related events;" research is at a macro-U.S.-economic level while federal accounting standards are for reporting entity financial statements; climate services are science based and provide data or services; and agencies have little capacity or the right amount of data to provide climate spending information in federal financial reports.

Members reviewed the updated proposed framework. Members discussed that the proposed MD&A standards would naturally include—in RSI—significant climate-related activity. Members did not reach any conclusions but directed staff to continue the conversation during a future meeting.

FY 24 (work completed as of September 30, 2024)	RE / DE – The Board approved a climate-related framework with multiple phases.
FY 25	RE
FY 26	RE
FY 27	

Intangible Assets

This project began as a research topic in which staff worked with a task force to research the significance of intangible assets throughout the federal government. The research identified potential intangible assets to include patents, trademarks, data sets, and software-related resources. Based on the research, the Board agreed that software guidance needs updating and acknowledged reporting challenges associated with the other types of identified intangible assets.

In August 2021, the Board added the intangible assets project to its technical agenda with the following three objectives:

- i. Develop updates for software reporting guidance
- ii. Develop a working definition of intangible assets for the Board's internal use
- iii. Further assess the costs versus benefits of developing reporting guidance for intangible assets

The Board determined that updating software guidance was most important because it would enable federal entities to meet the financial reporting needs of the current federal information technology (IT) environment. The Board also determined that further deliberation is warranted before considering whether to develop comprehensive reporting guidance for intangible assets. Therefore, members agreed to develop a non-authoritative working definition of an intangible asset as a first step.

A. Software Technology

The current software guidance is insufficient at addressing the breadth of accounting issues that federal entities encounter. The Board's goal is to address inconsistencies and gaps within current reporting practices and to propose new guidance to address IT resources now prevalent throughout the federal government.

The Board established a scope and project plan for developing updates for software technology guidance that consists of four major resource categories:

- i. Cloud-service arrangements
- ii. Shared services
- iii. Internal use software updates
- iv. Other software technology

The Board first deliberated financial statement recognition and note disclosure guidance for cloud-service arrangements and is now considering recognition guidance for software licenses. As part of this project, the Board also plans to consider updating existing guidance in SFFAS 10, *Accounting for Internal Use Software*, as needed. As part of the "other software technology" category, the Board may potentially deliberate guidance needs for other significant software technology topics, such as artificial intelligence, digital assets, and cybersecurity.

FY 24 (work completed as of September 30, 2024)	DE – The Board deliberated guidance for service payments and implementation costs regarding cloud-service arrangements. The Board also considered a definition and scope framework for software license recognition guidance.
FY 25	DE / FI
FY 26	FI
FY 27	

B. Working Definition of an Intangible Asset

Given the task force's reporting concerns with intangible assets, the Board decided that it was best to establish a non-authoritative definition before further considering developing reporting guidance for intangible assets. Based on research and working group input, the Board considered the following working definition of an intangible asset for the Board's internal use:

A recognizable intangible asset is a resource that

- *Lacks physical substance*
- *Represents a nonmonetary asset*
- *Has a useful life greater than two years*
- *Is identifiable as a separate asset from the entity*
- *Embodies future economic benefits or services*
- *The entity controls*
- *Has measurable value*

The Board generally supported the proposed definition while providing thoughts and suggested edits that related to potential reporting requirement concerns. Staff noted member comments for future deliberations if the Board ultimately approves a project to develop reporting guidance for intangible assets.

FY 24 (work completed as of September 30, 2024)	RE – The working definition objective is complete and the Board will revisit the definition if members later decide to develop comprehensive reporting guidance for intangible assets.
FY 25	RE
FY 26	
FY 27	

C. Costs versus Benefits of Intangible Asset Guidance

Staff is currently researching costs and benefits of reporting options to propose an intangible asset guidance framework for the Board to consider at a future meeting.

FY 24 (work completed as of September 30, 2024)	RE – Staff performed outreach to federal entities, GAO audit personnel, academics, and other standard setters to further understand intangible asset reporting possibilities in the federal environment.
FY 25	RE
FY 26	
FY 27	

Leases

FASAB issued SFFAS 54, *Leases*, in April 2018. SFFAS 54 provides a comprehensive set of lease accounting standards to recognize federal lease activities in GPFFRs and include appropriate disclosures. SFFAS 54, as amended, became effective in FY 2024.

A. Transitional Amendment to SFFAS 54

On November 30, 2023, the Board issued SFFAS 62, *Transitional Amendment to SFFAS 54*. These amendments provide transitional accommodations to reporting entities in the area of “embedded leases” (a common industry term which generally describes contracts or agreements that contain lease component(s) and nonlease component(s), such as service components, and serve a primary purpose attributable to the nonlease component(s)).

FY 24 (work completed as of September 30, 2024)	FI – FASAB issued SFFAS 62 on November 30, 2023.
FY 25	
FY 26	
FY 27	

B. AAPC Leases Implementation

During FY 2024, the AAPC continued to monitor implementation of SFFAS 54 and research and develop additional implementation guidance update candidates. Staff will continue to perform research and outreach of implementation issues in support of the Board and the AAPC. The AAPC may elect to develop additional leases implementation guidance questions and answers in the future (similar to the updates issued in FY 2023 under TR 22, *Leases Implementation Guidance Updates*).

FY 24 (work completed as of September 30, 2024)	RE – The AAPC continued to monitor implementation of SFFAS 54 and research and develop additional implementation guidance update candidates.
FY 25	RE / DE
FY 26	FI
FY 27	

Public-Private Partnerships

FASAB added this project to the agenda because federal agencies have increasingly turned to P3s to accomplish their goals. Budget pressures are likely to further increase the use of P3s. The overall objective of the project is to make the full costs and risks of such partnerships transparent.

In the first phase, the Board decided to address definitions and disclosures regarding risk before providing recognition and measurement guidance in the second phase. On April 27, 2016, the Board concluded its first phase with the issuance of SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, effective for periods beginning after September 30, 2018.

A. P3s

Contingent upon a post-implementation SFFAS 49 (phase 1) review, the Board plans to resume its work on P3s in phase 2 regarding recognition and measurement. The Board will continue to review reporting entity financial report note disclosures to identify specific recognition and measurement issues. The Board also plans to consider implications for other arrangements related to P3s (for example, sale-leasebacks and other long-term arrangements).

A task force was convened to address major P3 accounting practice issues requiring guidance, review entity P3 disclosures, and coordinate progress and results with the leases, omnibus concepts amendments, and MD&A project managers.

FY 24 (work completed as of September 30, 2024)	RE / DE – Staff led a pan-governmental (diverse sectors) task force including auditors and business/citizen users to develop a draft TR. This guidance currently being reviewed by the AAPC primarily addresses inter-relationships with SFFAS 47, <i>Reporting Entity</i> , and SFFAS 54, <i>Leases</i> .
FY 25	FI
FY 26	RE
FY 27	RE

B. AAPC Project Related to P3s Implementation

Based on the staff's work with the P3 task force, the Board agreed to develop implementation guidance in the form of a TR to assist preparers and auditors with implementing and complying with the SFFAS 49 disclosure requirements.

FY 24 (work completed as of September 30, 2024)	DE – Staff incorporated guidance received from the AAPC in finalizing a proposed TR. This guidance primarily addresses inter-relationships with SFFAS 47, <i>Reporting Entity</i> , and SFFAS 54, <i>Leases</i> .
FY 25	FI
FY 26	
FY 27	

Reexamination of Existing Standards

The objective of the reexamination project is to improve the standards and ensure that they are effective in providing financial information that supports public accountability and meets user needs. The project includes assessing most existing standards for current relevance and identifying opportunities to clarify, update, and streamline authoritative guidance.

The Board gained widespread feedback from stakeholders through issuing an ITC, *Reexamination of Existing Standards*, in 2023. The ITC was an excellent tool to accumulate an inventory of the specific issues for reexamination. The insights gained through the ITC and preliminary research helped the Board identify issue areas that the stakeholders believe are most in need of reexamination. The Board determined that a priority approach would provide the greatest benefits to stakeholders. While all issue areas will be addressed, the prioritization is for the order in which the projects will be addressed. The prioritization was based on considering the following four factors:

- Clarifying the standards (including addressing gaps in standards)
- Critical nature of the issue
- Pervasiveness
- Streamlining and burden reduction

The Board prioritized the reexamination issue areas at the August 2024 Board meeting and subsequently added the following projects to the technical agenda:

- Commitments
- Direct Loans and Loan Guarantees
- GAAP Hierarchy
- Revenue (placed on research agenda)

The subtopic ‘liabilities and legal claims when there are multiple parties involved’ is the next potential project when staff is available. The Board will continue going through the issue areas in a prioritized manner until all issues have been addressed.

Future reports will include specific reexamination projects and related information.

FY 24 (work completed as of September 30, 2024)	RE – The Board prioritized reexamination issue areas and added projects to the technical agenda. Future reports will include specific reexamination projects and related information.
FY 25	
FY 26	
FY 27	

Reporting Model

The Board initiated the reporting model project due to increased demands for financial information for decision making and accountability and changes in the way users access information, as well as the need to identify ways to streamline the financial reporting process without sacrificing informational value.

Currently, the following topics are part of a collective reporting model project:

- Omnibus Concepts Amendments 2024
- Management's Discussion and Analysis

A. Omnibus Concepts Amendments 2024

The objective of the omnibus concepts amendments project is to amend existing concepts for note disclosures and MD&A. Amending note disclosure concepts in paragraph 68 of SFFAC 2, *Entity and Display*, will expand concepts to include the types of information that may be presented in note disclosures and the role of note disclosures as an integral part of the basic financial statements.

Amending MD&A concepts will provide a conceptual overview of information that may be included in the MD&A by rescinding SFFAC 3, *Management's Discussion and Analysis*, and consolidating MD&A concepts from SFFAC 2 and SFFAC 3 into paragraph 69 of SFFAC 2.

During FY 2024, the Board reviewed the comment letters received on the ED (released on August 25, 2023) and made only minor updates to the guidance.

On September 27, 2024, FASAB issued SFFAC 10, *Omnibus Concepts Amendments 2024: Amending SFFAC 2 with Note Disclosures and MD&A Concepts and Rescinding SFFAC 3*.

FY 24 (work completed as of September 30, 2024)	DE / FI – The Board issued SFFAC 10, <i>Omnibus Concepts Amendments 2024: Amending SFFAC 2 with Note Disclosures and MD&A Concepts and Rescinding SFFAC 3</i> , on September 27, 2024.
FY 25	
FY 26	
FY 27	

B. Management's Discussion and Analysis

Based on research and dialogue through round tables and task forces, the Board has determined that MD&A is generally burdensome to prepare. Duplicative content, incompatible reporting timelines (for example, with budget and performance reporting), and density of non-financial information are among the contributors to preparer burden. MD&A preparation is further complicated by the existence of standard-like content in non-authoritative sources (SFFAC 3) rather than authoritative sources (SFFAS 15).

The Board undertook the MD&A project to provide a principles-based approach that merges and updates relevant content from SFFAC 3 and SFFAS 15 and is consistent with FASAB's reporting objectives for budgetary integrity, operating performance, stewardship, and systems and controls. A new Statement will provide a comprehensive set of standards to guide management in how to present an MD&A that is balanced, integrated, concise, and understandable about the reporting entity's organization and mission; financial position and condition; operating performance, opportunities and risks; and systems, internal controls, and compliance with applicable laws and regulations.

During FY 2024, the Board reviewed the comment letters received on the ED (released on September 7, 2023) and made updates to the guidance, including final clarifying, conforming, and non-technical edits.

On September 27, 2024, FASAB issued SFFAS 64: *Management’s Discussion and Analysis, Rescinding and Replacing SFFAS 15*.

MD&A Implementation Guidance and Training

During the 90-day exposure period, numerous respondents requested more guidance on how to implement SFFAS 64 and transition from SFFAS 15. Staff will provide transition training in FY 2025. The Board will consider implementation guidance in FY 2025.

FY 24 (work completed as of September 30, 2024)	DE / FI – The Board issued SFFAS 64: <i>Management’s Discussion and Analysis, Rescinding and Replacing SFFAS 15</i> on September 27, 2024.
FY 25	DE
FY 26	DE / FI
FY 27	

Technical Clarifications and Omnibus Amendments²

When appropriate, the Board explores opportunities to engage with the community on areas where clarification may be needed. The focus of this project is to address specific requests to clarify portions of existing standards. The Board will assess requests against the federal financial reporting objectives and consider addressing areas that provide benefits that clearly exceed costs. The Board may address these requests through the appropriate level of GAAP guidance.

The project also includes omnibus amendments that target miscellaneous, narrowly focused updates to various Statements. Omnibus amendments provide the Board an opportunity to amend multiple provisions through a single action. The Board expects the amendments to be narrow in scope and not to create substantive new requirements for reporting entities. Also, combining proposed amendments should ease the burden on respondents, as well as make efficient use of Board time.

This project also includes FASAB liaison with DoD.

A. SFFAS 3 Seized and Forfeited Digital Assets

FASAB staff issued TB 2024-1, *Seized and Forfeited Digital Assets*, on June 21, 2024. The TB clarifies existing seized and forfeited property guidance in SFFAS 3, *Accounting for Inventory and Related Property*, for the unique characteristics of digital assets. This technical guidance will help alleviate uncertainties with applying SFFAS 3 guidance and facilitate reporting consistency for seized and forfeited digital assets.

FY 24 (work completed as of September 30, 2024)	DE / FI – FASAB staff issued TB 2024-1 on June 21, 2024.
FY 25	
FY 26	
FY 27	

B. Omnibus Amendments 2024-1

On April 12, 2024, FASAB issued SFFAS 63: *Omnibus Amendments 2024-1, Amending Statements of Federal Financial Accounting Standards 38, 49 and Technical Bulletin 2011-1*. SFFAS 63 retains the reporting of federal oil and gas and other natural resource information as RSI per SFFAS 38, *Accounting for Federal Oil and Gas Resources*, and TB 2011-1, *Accounting for Federal Natural Resources Other than Oil and Gas*. The Statement also eliminates an exception provided in SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, to avoid reporting inconsistencies and to increase comparability.

FY 24 (work completed as of September 30, 2024)	FI – FASAB issued SFFAS 63: <i>Omnibus Amendments 2024-1, Amending Statements of Federal Financial Accounting Standards 38, 49 and Technical Bulletin 2011-1</i> on April 12, 2024.
FY 25	
FY 26	
FY 27	

² The Omnibus Amendments and Technical Clarifications of Existing Standards projects merged into one project.

C. Liaison with DoD

DoD efforts to implement standards have revealed areas in need of clarification or amendment. In early 2014, the Board established a project to address such areas. Although there is no longer an active project related specifically to DoD, FASAB continues to liaison with DoD workgroups and assess areas that may need clarifications or additional guidance.

FY 24 (work completed as of September 30, 2024)	RE – FASAB staff worked with DoD to assess areas that may need additional guidance.
FY 25	RE
FY 26	RE
FY 27	RE

Table 2 - Technical Agenda Consolidated Work Plan Matrix

Technical Activities	Status FY24	Plan			Staff Contact
		FY25	FY26	FY27	
A. Accounting and Reporting of Government Land	RE	RE	DE FI		Domenic N. Savini
B. Climate-Related Financial Reporting	RE DE	RE	RE		Robin Gilliam
C. Intangible Assets					Joshua Williams
C1. Software Technology	DE	DE FI	FI		
C2. Working Definition of an Intangible Asset	RE	RE			
C3. Costs versus Benefits of Intangible Asset Guidance	RE	RE			
D. Leases					Ricky A. Perry, Jr.
D1. Transitional Amendment to SFFAS 54	FI				
D2. AAPC Leases Implementation	RE	RE DE	FI		
E. Public-Private Partnerships					Domenic N. Savini
E1. P3s – Phase 2	RE DE	FI	RE	RE	
E2. AAPC P3s Implementation	DE	FI			
F. Reexamination of Existing Standards*	RE				Melissa Batchelor
G. Reporting Model					Robin Gilliam
G1. Omnibus Concepts Amendments 2024	DE FI				
G2. MD&A	DE FI	DE	DE FI		
H. Technical Clarifications and Omnibus Amendments					
H1. SFFAS 3 Seized and Forfeited Digitals Assets	DE FI				Joshua R. Williams
H2. Omnibus Amendments 2024-1	FI				Sherry Lee
H3. Liaison with DoD	RE	RE	RE	RE	Melissa Batchelor

* Future reports will include specific reexamination projects and related information

RE = research phase

DE = development and ED phase

FI = resolution and finalization phase

New Technical Projects

The following reexamination areas were approved by the Board at the August 2024 meeting to be added to the technical agenda. Future reports will include the details for these projects and related information.

Commitments

FASAB has issued pronouncements on specific types of commitments; however, there is no Statement on general commitments. OMB Circular A-136, *Financial Reporting Requirements*, includes guidance requiring federal agencies to disclose commitments related to “binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet and should be disclosed.” The Board will consider developing an accounting Statement that defines commitments and develops guidance on reporting general commitments.

Direct Loans and Loan Guarantees

FASAB issued SFFAS 2, *Accounting for Direct Loans and Loan Guarantees*, in 1993 and since then this Statement has been amended by SFFAS 18, *Amendments to Accounting Standards For Direct Loans and Loan Guarantees in SFFAS No. 2*, and SFFAS 19, *Technical Amendments to Accounting Standards For Direct Loans and Loan Guarantees in SFFAS 2*. Federal reporting entities’ direct loan and loan guarantees note disclosures as required by GAAP have become very lengthy with numerous schedules and narratives spanning many pages. The Board will consider ways to improve, clarify, and streamline required note disclosures and reduce preparer burden regarding loan note disclosures.

Federal GAAP Hierarchy

SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board*, incorporated the hierarchy of GAAP into FASAB’s authoritative literature. SFFAS 34 generally carried forward the hierarchy as set forth in Statement of Auditing Standards 91, *Federal GAAP Hierarchy*. SFFAS 34 provides the sources of accounting principles and the framework for selecting the principles used in the preparation of general purpose financial reports of federal entities that conform with GAAP. Given its importance and the feedback received from stakeholders, the Board will consider ways to improve, simplify, clarify, and streamline the federal GAAP hierarchy to ensure it is effective.

Research Topics

This research topic will remain active until the Board either (1) elevates the topic to an active project or (2) decides to stop research on the topic in favor of committing resources towards more pressing issues. Research topics are identified as priorities but not active on the Board's technical agenda.

Revenue

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, was the highest rated topic in need of reexamination by stakeholders. There have been considerable changes to the government environment since the Statement was issued in 1996 that may not be sufficiently addressed under the current standards. Further, numerous specific revenue accounting issues were raised by stakeholders for reexamination. As a research topic, staff will develop a plan to assess opportunities to clarify the core revenue principles.

AAPC Activities

As a permanent committee established by FASAB to improve federal financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues, the AAPC develops implementation guidance for existing accounting standards through TRs. FASAB reviews all TRs before their issuance. The AAPC may not amend existing standards nor promulgate new standards.

Current AAPC Members

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Executive Director
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CIGIE Representative
U.S. Department of the Treasury, Office of Inspector General

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Do you like this report? Do you believe it should include any other information?
Please let us know by contacting the chair at fasab@fasab.gov or 202.512.7350.

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