FASAB

THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

Annual Report

Fiscal Year Ended September 30, 2026

& Three-Year Plan

Fiscal Years 2027-2029

Comments Requested by January 18, 2027

Issued November 16, 2026

Current FASAB Members

Terry K. Patton | Chair | 2026–2029 | Non-federal representative | 2019–2029
R. Scott Bell | Department of the Treasury | 2017–present**
Robert F. Dacey | Government Accountability Office | 2004–present**
Eric Berman | Non-federal representative | 2026–2031*
Diane Dudley | Non-federal representative | 2024–2029*
William "Billy" Morehead | Non-federal representative | 2026–2031*
David A. Vaudt | Non-federal representative | 2025–2030*

***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 the Department of the Treasury, the Government Accountability Office (GAO), and five 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 Standards Implementation Committee

The ASIC (formerly known as the Accounting and Auditing Policy Committee [AAPC]), is a permanent committee established by FASAB. The mission of the ASIC is to assist the federal government in improving federal financial reporting by identifying, developing, and recommending timely solutions to address accounting issues within the framework of existing GAAP set forth by FASAB. The ASIC recommends guidance for applying existing Statements of Federal Financial Accounting Standards (SFFASs), Interpretations of Federal Financial Accounting Standards, and Technical Bulletins (TBs). The ASIC is intended to address accounting implementation issues that are not specifically or fully discussed in federal accounting standards. The ASIC's guidance is cleared by FASAB before being published.

TABLE OF CONTENTS

Annual Report . . . 3
- From the Chair . . . 3
- From the Executive Director . . . 6
- Fiscal Year 2026 Standard-Setting Collaboration, Education, and Outreach Activities . . . 8
  - Collaboration . . . 8
  - Technical Inquiries . . . 9
  - Ongoing Educational & Outreach Activities . . . 10
- Governance, Operations, and Budgetary Resources . . . 11
  - Governance . . . 11
  - Operations . . . 11
  - Budgetary Resources . . . 13
    - Table 1: Budget/Actual FY2025 – 2026 and FY 2027 Budget (dollars in thousands) . . . 13

FY 2026 Annual Report for Technical Activities & Three-Year Plan for the Technical Agenda . . . 14
- FY 2026 Standards and Guidance at a Glance . . . 14
- Accounting and Reporting of Government Land . . . 16
- Intangible Assets . . . 17
  - Software Technology . . . 17
  - Working Definition of Intangible Asset . . . 18
  - Intangible Asset Concepts and Standards . . . 18
- Leases . . . 19
  - ASIC Project Related to Leases Implementation . . . 19
- Public-Private Partnerships . . . 20
  - ASIC Project Related to P3's Implementation . . . 20
- Reexamination of Existing Standards . . . 21
  - Commitments . . . 21
  - Direct Loans and Loan Guarantees . . . 22
  - Environmental and Disposal Liabilities . . . 23
  - Federal GAAP Hierarchy . . . 23
- Reporting Model . . . 25
  - MD&A: Implementing SFFAS 64 . . . 25
- Technical Clarifications and Omnibus Amendments . . . 26
  - Implementation Guidance for DoD . . . 26
- Table 2 - Technical Agenda Consolidated Work Plan Matrix . . . 27
- Research Topics . . . 28
- Monitoring Topics . . . 28
- ASIC Activities . . . 29
- Current ASIC Members . . . 29
- 2027 Meetings . . . 30
- Abbreviations . . . 31

FY 2026 Results in Brief
Final Pronouncements
SIG 64.1, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis*, issued 6/26/26 (exposure draft [ED] released 1/13/26, received 20 comment letters).
TR 24, *Implementation Guidance for SFFAS 49, Public-Private Partnerships*, issued 8/4/26 (ED released 5/16/25, received 21 comment letters).
Documents for Comment
Proposed SFFAS*, Embedded Leases Practical Expedient*, released 5/1/26, received 23 comment letters.

Annual Report

FROM THE CHAIR

As the Board's sixth chairperson, I am honored to present our fiscal year (FY) 2026 annual report and three-year plan. This is my first annual report as chair, and I look forward to working with our stakeholders—users, preparers, and auditors—to continue to develop the highest quality and meaningful financial reporting standards for the federal government.

Need To Hear From You

One of my goals for the next three years is to increase the participation of our stakeholders in our due process. The financial standards-setting process is greatly improved by hearing from our stakeholders about the concerns and benefits of new guidance before it has been or is on the cusp of being issued. That is, the process is improved by hearing from our stakeholders about potential new guidance early in its development—at the time or even before a document is exposed for public comment. This means that serving on task forces or working groups and providing formal or informal input to FASAB staff regarding not only perceived benefits of proposed guidance, but also the perceived difficulties and costs of implementation are critical to FASAB's efficient operations. FASAB seriously considers your input—and a detailed explanation of the "why" behind your opinion is critical as the Board weighs various reporting and disclosure options.

FY 2026 Accomplishments

The Board continued to make progress on its technical agenda during the FY. In August, FASAB approved a proposed Statement of Federal Financial Accounting Standards (SFFAS) titled *Embedded Leases Practical Expedient*. Briefly, it would allow reporting entities to apply a practical expedient for contracts or agreements that meet certain eligibility conditions and account for them as "nonlease" in their entirety. The proposed amendments were the result of the Board's continued monitoring of the implementation of SFFAS 54, *Leases*. The Board believes that the practical expedient will reduce the ongoing costs of applying SFFAS 54 requirements while continuing to meet the reporting objectives for reporting leases. The proposed Statement is undergoing review by the GAO and Treasury, and a final Statement is expected to be issued in December 2026.

In June, FASAB staff issued Staff Implementation Guidance (SIG) 64.1, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis (MD&A)*. The SIG does not provide new requirements, but rather includes relevant questions, answers, and examples to assist preparers with the implementation of SFFAS 64. Many of the questions in the guide were the result of implementation issues raised during the staff's engagement with 35 federal reporting entities between February and May 2025.

During FY 2026, the Board continued to make progress on the other projects on its active and research agendas, including providing additional guidance for public-private partnerships (P3s). The following projects are expected to continue to be on the Board's agenda in FY 2027:

- Reporting of Government Land Phase II – potentially providing SFFAS 59, *Accounting and Reporting of Government Land*, implementation guidance
- Commitments – developing a financial disclosure framework for commitments
- P3s Phase II – addressing additional P3 issues
- Intangible Assets and Software Technology – developing accounting and financial reporting guidance

- 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*
- Direct Loan and Loan Guarantee Disclosures – reassessing current financial disclosure requirements

In August, the Board also added two research topics (digital assets and equity investments in non-federal entities) and one active project (environmental and disposal liabilities) to its technical agenda.

Change in FASAB Membership

If you are a regular observer of FASAB meetings, you probably noticed that the Board now has seven members instead of nine. The reduction in membership was due to a change in the Memorandum of Understanding finalized by the three sponsors of FASAB—Treasury, OMB, and GAO—on April 1, 2026. The seven members of the Board now include one member from GAO, one member from Treasury, and five non-federal members. This change resulted in FASAB having the same number of Board members as the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).

Board and Staff Transitions

I am pleased to announce that, as of April 19, 2026, Mr. Eric Berman and Dr. William (Billy) Morehead joined the Board. Eric and Billy have extensive experience working in state government, and particularly, in accounting for governmental entities. Eric previously served various financial management positions in the Commonwealth of Massachusetts, including over ten years as deputy comptroller. He recently retired as a government advisory services partner with Eide Bailly, LLP. Eric also previously served as vice-chairperson of the Governmental Accounting Standards Advisory Council, which advises the GASB regarding its agenda, priorities, and issues related to its active projects.

Billy Morehead is currently a professor of accountancy at Mississippi College where he teaches governmental accounting as well as other accounting courses. Billy is known nationally for his significant contributions to AGA where he served in numerous leadership roles, including being its national president in 2009. Previously, he worked for the State of Mississippi where he served in many finance and accounting-related capacities, including as chief financial officer at two state hospitals and vice-president for finance and administration at a state university. The Board is already benefiting from Eric and Billy's experience.

At the end of December 2025, two FASAB members—Ms. Gila Bronner and Mr. George Scott—completed their terms on the Board. George also served as chair of FASAB for six and a half years. The Board, staff, and friends celebrated their significant contributions during their 10-year service to the Board during its December 2025 meeting. I will miss their professionalism, knowledge, experience, dedication, and wisdom. Fortunately, we are still benefitting from George's periodic updates to the Board on the activities of the International Public Standards Advisory Board (IPSASB), for which he serves as the United States representative.

The FASAB staff also underwent a change this year. Ms. Romona Parker, executive assistant, retired in April 2026 after nine years of service to the Board and 32 years of federal government service. We miss her and greatly appreciated her administrative abilities and help to the Board and staff.

I also was informed this year of the Board's executive director's plan to retire by the end of 2026. Ms. Monica Valentine has faithfully and diligently served the Board since 1991 and as executive director since April 2019. She is only the third executive director of FASAB. Monica is the last of the Board's original FASAB staff members. I will miss her knowledge, advice, and expertise. We will all miss her leadership and ability to motivate the entire staff to work as one unit to meet the FASAB's mission. Thank you, Monica, and we will miss you more than you can imagine.

Next Steps

FASAB's three-year plan is included in this report beginning on page 14. We encourage you to provide feedback on the plan to help the Board during its review of its technical agenda in February 2027. Please send your comments to fasab@fasab.gov. We also encourage you to continue participating in the standards-setting process by providing input to staff regarding current projects, participating in task forces and working groups, and responding to documents for comment.

I would strongly encourage you to let staff know if you have a particular interest in one or more of our current projects. You may express your interest by going to the FASAB website and clicking on "FASAB Projects" at the top of the webpage. You can choose a particular project by clicking either the "Research Topics" or "Active Projects" tab and then clicking on the project of interest. The next step is to click the email address at the top of the page and describe your interest in a project and provide your contact information. FASAB staff will then contact you to determine how you may be able to help. The best way to develop financial reporting standards is by having a wide array of voices from the financial reporting community and user groups involved. Yes, FASAB needs you to be involved!

Thank You

Finally, I would like to express my thanks and appreciation to all those engaged in the Board's mission—my fellow Board members, FASAB's executive director and her staff, the members of the Appointments Panel, those serving on FASAB task forces and working groups, the members of the Accounting Standards Implementation Committee (ASIC), and all who read and respond to our requests for input. Your passion, commitment, and contributions allow the Board to set the highest quality financial reporting standards for the federal government.

Terry K. Patton
FASAB Chair

FROM THE EXECUTIVE DIRECTOR

It has been a tremendous honor and privilege to serve as FASAB's third Executive Director over the past seven years and to have been a member of the FASAB staff for more than 35 years. Looking back, I am filled with gratitude for the opportunities, experiences, and friendships that have shaped this remarkable journey. What I will miss most are the many talented and dedicated people I have had the privilege of working alongside and the lasting relationships I have built over the years. Their support, collaboration, and commitment have made my time at FASAB truly meaningful.

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 two proposals: a SIG on SFFAS 64, *Management's Discussion and Analysis,* and a Statement for a practical expedient on embedded leases. Staff eventually issued SIG 64.1 on June 26, 2026. The proposed SFFAS for leases was approved by the Board and is currently undergoing the sponsor review.

The Board has spent a considerable amount of time engaged on several reexamination of existing standards projects. Extensive staff research and issue papers on the commitments, direct loans and loan guarantees disclosures, and federal GAAP hierarchy projects continue to progress.

To assist reporting entities in implementing SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, the Board issued Technical Release 24, *Implementation Guidance for SFFAS 49, Public-Private Partnerships,* in August.

Other important projects, like intangible assets, software technology, 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, and led numerous training sessions, including another successful virtual FASAB Annual Update in June that was attended by over 600 participants. The FASAB staff deserves recognition for their amazing talents providing volumes of valuable free training to the federal financial reporting community. I also extend many thanks to the Board members for their continued support of staff's training and outreach activities.

Due to circumstances beyond our control, both the October 2025 and February 2026 meetings were canceled.

We are excited to continue our hybrid Board meetings and invite observers to experience our meetings either virtually or in-person. On average we have had over 50 observers attend each meeting virtually. We continue to encourage the community to observe the Board meetings and join the FASAB listserv.

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

In August 2026, 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. *As such, FASAB invites you to provide your input on the three-year plan by January 18, 2027, to help identify opportunities for enhancing FASAB guidance.*

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 that a potential project will significantly contribute to meeting the reporting objectives established in Statement of Federal Financial Accounting Concepts (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, as well as the benefit of information to users

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 on any aspect of this report or suggest additional ideas for agenda topics by January 18, 2027.*

Monica R Valentine

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 2026 STANDARD-SETTING COLLABORATION, EDUCATION, AND OUTREACH ACTIVITIES

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

Collaboration

During the research phase (**RE**) staff collects information to assist the Board in determining the best course of action for each project. RE outreach activities may include:

- **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 GASB, FASB, 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 exposure draft phase (**DE**) staff collects information to assist the Board in developing exposure drafts (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.
- **Invitation to Comment (ITC)** – The Board may solicit comment on issues that the Board may address 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 may issue a PV document to communicate views of members and to solicit feedback before developing an ED.
- **Public Meeting in advance of a SIG ED** – A public meeting ensures that preparers, auditors, and users have an opportunity to provide input in preparation for the SIG exposure draft comment period. For example, staff hosted a public meeting to discuss a draft SIG on MD&A implementation in FY 25.
- **Request for Information and Comment (RFI)** – Staff conducts outreach to facilitate the identification of accounting issues related to recent, ongoing, or potential activities and events experienced by stakeholders. Responses to the RFI help inform staff recommendations and alternatives for the Board to consider regarding potential short- and long-term actions. For example, staff released an RFI to inform FASAB about reporting entity reorganizations and abolishments in FY 25.
- **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 a pronouncement is finalized.

Before and during 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 the Department of the Treasury's Bureau of the Fiscal Service to provide implementation assistance. Staff coordinates updates to related guidance, including but not limited to Treasury's Treasury Financial Manual and U.S. Standard General Ledger (USSGL).

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 hours of free continued professional education credits (CPEs) to those who participate. FASAB staff hosted approximately 600 participants at the FY 2026 annual update in June.
- **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 (AFERM); 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 general and specific issues regarding Board efforts.
- **Published articles** – Board members and staff write articles to address current federal financial management topics.
- **Workshops and trainings** – Staff develops and conducts workshops and trainings in response to federal accounting professionals' educational needs. For example, staff developed a full day educational workshop to provide an in-depth discussion of authoritative federal GAAP, including the use of simulated case studies.
- **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 Chief Financial Officer (CFO) Council, Council of the Inspectors General on Integrity and Efficiency; Financial Statement Audit Network (FSAN), and the Joint Financial Management Improvement Program.

Technical Inquiries

Staff engages in extensive research to respond to technical inquiries received from preparers, auditors, inspectors general, consultants, and individuals by clarifying general and agency-specific accounting issues.

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

Ongoing Educational & Outreach Activities

Mr. Patton 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.

FASAB entered into a Memorandum of Agreement (MOA) with the National Defense University (NDU) that allows 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 2026, FASAB staff spent significant time and effort finding ways to improve the training experience for the federal financial community.

FASAB offered many training courses for free to the federal financial community in FY 2026:

- SFFAS 49 - P3 Accounting & Reporting (3 CPEs)
- FASAB Accounting Concepts and Standards (8 CPEs)
- Accounting for Internal Use Software (2 CPEs)
- Implementation of SFFAS 54, *Leases* (1-2 CPEs)
- Accounting for Leases (1.5 CPEs)
- Statement of Budgetary Resources, A Primer Course (8 CPEs)

FY 26 BY THE NUMBERS

Presentations

FASAB staff gave **17** presentations, most of which were training sessions for various federal agencies and local AGA chapters.

This outreach reached over **1,250** participants who received over **3,700** CPEs

Annual Update

FASAB staff hosted its second virtual annual update, awarding **4** hours of government CPE to approximately **600** participants

Government Working Groups

FASAB staff participated in various federal working groups, including **FSAN, Treasury Fiscal Service USSGL, and the AGA Certificate of Excellence in Accountability Reporting Board**.

Technical Inquiries

FASAB staff addressed **13** technical inquiries submitted by the community

Representative Annual Update Feedback (Comments from Attendees)

- The FASAB update is organized very well. The topics were interesting, and the presenters were extremely knowledgeable. I particularly enjoyed the information on the MD&A efforts.
- Honestly, I thoroughly enjoyed the entire time and stayed engaged and I think it's mostly attributed to presenters showing genuine interest/enthusiasm in the topics they were presenting on. I liked every aspect. Looking forward to next year's annual update. Excellent work putting this together! Thanks!
- I appreciated learning about all of the working groups and particularly the session on interpreting financial statements. I think the training was very helpful to me as a financial report preparer.
- The structure of the update was very helpful. Addressing the overall updates first in a more general way and then becoming more specific in the afternoon with projects was a very good progression.
- The FASAB Annual Update was a helpful and well-planned session. Every topic covered was useful and interesting for people who work in federal financial management.

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 2027 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 requirements and ethics. Such training is helpful to answer questions and update members on important federal requirements.

Lindsey Kennimer (AICPA senior director for governmental auditing and accounting) provided members with annual training on the AICPA's efforts to monitor 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). FASAB's Memorandum of Understanding and its rules of procedure were both updated during FY 2026.

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 influence if and when they occur. Together, these efforts serve to alert the AICPA to significant changes relevant to

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 chair, representatives from the three sponsoring agencies, 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 conveys any concerns to the AICPA in a timely manner.

Appointments Panel Members

Terry K. Patton, Chair
R. Scott Bell, Treasury
Robert F. Dacey, GAO
Marion Gee, FAF
Brian Mohr, OMB
D. Scott Showalter, AICPA
Graylin Smith, AICPA

FASAB General Counsel

Jason Kirwan

FASAB Executive Director and Designated Federal Official

Monica R. Valentine

the established criteria and to ongoing recognition of FASAB as the GAAP standard-setting body for federal governmental entities. 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:

- Due Process/Meeting Efficiency
  - FASAB continues to provide a unique and invaluable service to the federal government. FASAB's work demonstrates effective deliberation and collaboration among key federal entities across the executive and legislative branches and the broader financial management community. During its decades of existence, FASAB has focused on establishing the financial accounting, financial reporting, and accountability foundation for the federal government. With the rapidly expanding and evolving role of data and technology, it will be equally important for the Board to continue to evolve, focusing its efforts on how current and prospective federal accounting guidance can be effectively enhanced, refined, and streamlined while improving transparency and minimizing preparer burden in the face of challenges due to significant ongoing budget limitations.
  - The Board's due process continues to improve. In response to public comments on its Invitation to Comment (ITC), the Board began research on three reexamination projects added to the technical agenda and one project added to the research agenda. The task force on intangible assets and software technology also continued to provide practical input. An education session and related research paper offered useful insights into leases implementation. Finally, the Management's Discussion and Analysis (MD&A) Staff Implementation Guidance and training have continued the effort of improving the quality of MD&A reporting by agencies.
  - The Board's pre-meeting comments on papers continue to help staff research issues, prepare more effectively, and facilitate proposed edits during meetings, thereby improving meeting efficiency.

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 1.320.001standard-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.

- The clarity and organization of briefing materials have improved in recent years, reflecting staff's use of best practices to create concise, informative, and engaging materials that help members prepare for Board meetings.

- Knowledgebase of Members and Staff
  - Collaboration among task forces, FASAB staff, and Board members have supported the timely development of guidance to address issues cost-effectively.
  - Regular GASB and IPSASB updates at meetings and in FASAB clippings have informed the Board about major issues facing accounting standard setters, expanded the knowledge of Board members and staff, and identified opportunities to enhance consistency where appropriate.
- Board's Comprehensiveness and Consistency
  - Board materials have improved substantially over time. Staff's consideration of FASB, GASB, and IPSASB standards has benefited the Board, while the materials presented for its consideration have increasingly reflected FASAB concepts and standards.
  - Projects addressing intangible assets, software technology, and commitments are enhancing the comprehensiveness and consistency of the Board's standards. Outreach through the Annual Report and Three-Year Plan also provides valuable input for setting project priorities.

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

- Identify opportunities to strengthen stakeholder engagement throughout the standards development process.
- Continue enhancing briefing materials and standardizing their development process.
- Develop a process for conducting post-implementation reviews (PIRs) that includes the required resources needed and considers assigning each review to a staff member other than the member who developed the original guidance.

This year's survey results are broadly consistent with those of the previous five years. The most notable trends are sustained quality in comprehensiveness and consistency and in the knowledge of Board members and staff, along with continued improvement in due process.

Budgetary Resources

Actual FASAB funding is dependent on the final FY 2027 appropriations of the FASAB sponsors. Table 1, *Budget/Actual FY 2025-2026 and FY 2027 Budget*, presents budgeted and actual resources for FY 2025 and FY 2026, as well as anticipated resources for FY 2027.

Table 1: Budget/Actual FY2025 – 2026 and FY 2027 Budget (dollars in thousands)

	FY 2025		FY 2026		FY 2027
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET *(pending)*
Staff Salaries and Benefits	$2,316.3	$2,338.1	$2,385.3	$2,370.9	$2,402.3
Member Compensation	190.2	179.1	170.4	137.1	186.4
Travel	26.7	11.4	30.0	28.3	35.0
Education and Training	12.0	5.0	10.0	6.1	10.0
Admin Cost	83.2	85.2	87.3	85.3	88.6
Other	17.0	8.3	10.5	7.5	10.5
Totals	$2,638.2	$2,626.9	$2,693.5	$2,635.2	$2,732.8

[1]Actual FASAB funding is dependent on the final FY 2027 appropriations of the FASAB sponsors.

FY 2026 Annual Report for Technical Activities & Three-Year Plan for the Technical Agenda

FASAB is subject to the Federal Advisory Committee Act 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 exposure draft; 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 **resolution and finalization phase (FI)**, the Board further deliberates on EDs based on comment letters, prepares pre-ballot revisions, and votes on final pronouncements. During the **Post-Implementation Review (PIR) phase** staff and the Board are evaluating whether standards are achieving their objectives, including whether they provide financial statement users with relevant information.

For detailed histories and context behind FASAB's projects, see the Active Projects and Archived Projects pages at www.fasab.gov. A consolidated work plan matrix is included in table 2.

FY 2026 Standards and Guidance at a Glance
Final Pronouncements
SIG 64.1, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis*, issued 6/26/26 (ED released 1/13/26, received 20 comment letters).
TR 24, *Implementation Guidance for SFFAS 49, Public-Private Partnerships*, issued 8/4/26 (ED released 5/16/25, received 21 comment letters).
Documents for Comment
Proposed SFFAS, *Embedded Leases Practical Expedient*, released 5/1/26, received 23 comment letters.

FASAB worked on the following projects during FY 2026:

- Accounting and Reporting of Government Land
- Intangible Assets
- Leases
- Public-Private Partnerships
- Reexamination of Existing Standards
  - Commitments
  - Direct Loans and Loan Guarantees Disclosures
  - Environmental and Disposal Liabilities*
  - Federal GAAP Hierarchy
- Reporting Model
  - MD&A
- Technical Clarifications and Omnibus Amendments
  - Department of Defense (DoD) Liaison

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 exposure draft phase

FI = resolution and finalization phase

PIR = post implementation review

= Project concludes

= Project next steps TBD

* This project was added to the Board's agenda in August 2026.

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 adopted a transitional approach to implement this Statement. This included allowing information to be presented as required supplementary information (RSI) for FYs 2022 through 2025 with the expectation that, in FY 2026, RSI would transition to note disclosures and G-PP&E land and permanent land rights would be removed from the balance sheet. 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.

On September 26, 2025, the Board issued Technical Bulletin (TB) 2025-1, *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land*. Specifically, this TB clarifies the following:

- The categorization of G-PP&E land and SL is based on intent or the intended purpose of why the entity is currently managing/holding the land. The sub-categorization, however, is based on predominant use.
- Preparer flexibility concerning the accounting and reporting of non-outer continental shelf submerged land as well as ownership and related acquisition assertions is clarified.
- The accounting and reporting of land improvements remains consistent with SFFAS 6, *Accounting for Property, Plant, and Equipment*.
- G-PP&E permanent land rights are to be expensed as incurred.
- Preparer flexibility concerning ownership and related acquisition assertions is clarified by incorporating into the TB concepts from paragraphs 80-83 (supporting documentation) and paragraph 85 (methodology for developing supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*.

During FY 2026, staff engaged with major land-holding agencies and one external audit team regarding the implementation and attestation of the federal land accounting standards. Discussions focused on attestation procedures for verifying land ownership, the Board's underlying intent regarding acreage estimation, and the appropriate application of statistical sampling methods across aggregated land holdings of varying acquisition vintages. Staff continues to monitor audit progress and agency-level implementation activities across all major land-holding entities, providing periodic updates to the Board as audit findings and implementation developments unfold.

FY 26 (work completed as of September 30, 2026)	PIR – FASAB conducted a post-implementation review.
FY 27	PIR
FY 28	
FY 29	

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:

- Develop updates for software reporting guidance
- Develop a working definition of intangible assets for the Board's internal use
- 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 was 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.

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:

- Cloud-service arrangements
- Shared services
- Internal use software updates
- Other software technology

The Board plans to continue developing updates for existing guidance in SFFAS 10, *Accounting for Internal Use Software*, as needed.

FY 26 (work completed as of September 30, 2026)	**DE** – The Board deliberated accounting guidance for enhancements, useful life, impairment, integrated software, capitalization thresholds, intangible heritage assets, and note disclosures.
FY 27	**FI**
FY 28	
FY 29	

Working Definition of 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 considering further developing accounting and financial 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 accounting requirement concerns. Staff noted member comments for future deliberations.

FY 26 (work completed as of September 30, 2026)	**RE** – The working definition objective is complete, and the Board is referencing the definition as it develops intangible asset standards.
FY 27	
FY 28	
FY 29	

Intangible Asset Concepts and Standards

After further deliberation of the costs and benefits of accounting for intangible assets in the federal government, during the December 2024 meeting the Board decided to move forward with developing intangible asset concepts and standards. The Board plans to issue the concepts amendments concurrently with a new Statement for intangible asset standards that encompasses the updated software reporting guidance.

FY 26 (work completed as of September 30, 2026)	**DE** – The Board has deliberated concept amendments to address intangible assets in SFFAC 2, *Entity and Display*, and SFFAC 5, *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements*.
FY 27	**FI**
FY 28	
FY 29	

Leases

Since the issuance of SFFAS 54, *Leases*, the Board has completed numerous post-issuance pronouncements and post-implementation review activities. These activities supported effective, consistent, and timely implementation of the leases standards through implementation guidance, clarifying and conforming amendments, and trainings.

FY 26 (work completed as of September 30, 2026)	**RE**, **DE**, **FI** – During FY 2026, the Board developed and finalized a practical expedient for embedded leases. The final pronouncement is expected to be issued in the first quarter of FY 2027. **PIR** – The Board completed PIR activities, including archival reviews of agency financial reports in FY 2024 and FY 2025. A final leases implementation research report was published by staff in July 2026.
FY 27	**FI**
FY 28	
FY 29	

ASIC Project Related to Leases Implementation

During FY 2026, staff continued to monitor implementation of SFFAS 54, *Leases*, and identify implementation guidance candidates for future ASIC discussion and consideration.

FY 26 (work completed as of September 30, 2026)	**RE**
FY 27	**RE**
FY 28	
FY 29	

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.

The P3s measurement and recognition task force held its inaugural meeting on March 9, 2026, to review the results of a straw poll conducted among users, preparers, and auditors. The polling results highlight a natural and expected tension between preparers and users. Furthermore, while some auditors slightly prefer a separate P3 asset class on the balance sheet (with corresponding P3 liabilities), they expressed doubt regarding whether the completeness assertion can be satisfactorily met under that model.

Preparers are concerned about an increased reporting burden and prefer maintaining existing disclosures under SFFAS 49.

Users, conversely, are advocating for greater transparency. They favor establishing a separate P3 asset class on the balance sheet, complemented by robust SFFAS 49 narrative disclosures specifically focused on risk reporting.

Additionally, a smaller P3 measurement and recognition working group has identified various measurement and recognition methods which could be used to measure P3s.

Given that sufficient accounting and reporting guidance may already exist within the current GAAP framework to measure and recognize the underlying P3 elements, the working group is assessing whether leveraging existing GAAP standards can deliver the structural transparency desired by users. Such an approach would consider a re-examination of the SFFAS 49 disclosure requirements.

FY 26 (work completed as of September 30, 2026)	**RE** – The task force assessed existing GAAP to measure P3s and re-assess SFFAS 49 disclosure requirements.
FY 27	**RE** / **DE**
FY 28	**FI**
FY 29	

ASIC Project Related to P3's Implementation

On August 4, 2026, FASAB issued TR 24 titled *Implementation Guidance for SFFAS 49, Public-Private Partnerships*.

This TR helps ensure that integrated information is provided through concise, meaningful, and transparent disclosures; disclosures are not duplicative; and financial reporting objectives are met while mitigating preparer burden.

FY 26 (work completed as of September 30, 2026)	**DE** / **FI** – FASAB issued TR 24, *Implementation Guidance for SFFAS 49, Public-Private Partnerships*.
FY 27	
FY 28	
FY 29	

Reexamination of Existing Standards

The objective of the reexamination project is to improve the federal accounting standards and ensure that they are effective in providing financial information that supports public accountability and meets user needs. The project includes assessing 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 Board determined that a priority approach would be most responsive and provide the greatest benefits to stakeholders. The Board prioritized reexamination issues in late 2024 and added the following projects to the technical agenda.

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

As part of the annual technical agenda review at the August 2026 Board meeting, the Board confirmed support for the continuation of these reexamination projects. The Board also agreed to add the following reexamination areas: environmental and disposal liabilities project as an active project and non-federal investments/equity investments as a research topic. The Board will continue going through all reexamination issue areas identified in a prioritized manner until all issues have been addressed.

Commitments

There may be significant federal commitments that are not covered by existing FASAB standards. The Board recognizes the need to develop level A guidance on reporting commitments. In February 2025, the Board approved the project plan to develop guidance for reporting commitments.

The following are the primary objectives of the commitments project:

- Define federal commitments.
- Determine the scope of the commitments project.
- Determine what information to include in the commitments reporting requirements.
- Develop guidance on measurement attributes applicable to commitments.
- Determine the appropriate presentation for commitments information.
- Clarify the relationship between commitments and contingencies.

A task force consisting of federal and non-federal stakeholders was formed in April 2025 to help research and make recommendations on commitment reporting to the Board for consideration. Additionally, a sub-working group consisting of federal agency representatives was formed in April 2026 to help identify significant commitment agreements to develop commitment categories.

To date, the Board has deliberated and tentatively agreed on the following:

- Working definition of commitment
- Scope exclusions
- Framework for identifying commitment categories
- Commitment disclosures

The Board will continue to refine commitment categories, determine measurement attributes for commitments, and develop other related guidance for reporting commitments.

FY 26 (work completed as of September 30, 2026)	**DE** / **RE** – The Board tentatively agreed on the working definition of commitment, scope exclusions, the framework for identifying commitment categories, and commitment disclosures.
FY 27	**DE**
FY 28	**DE**
FY 29	**FI**

Direct Loans and Loan Guarantees

FASAB issued SFFAS 2, *Accounting for Direct Loans and Loan Guarantees*, in 1993. 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.

The direct loan and loan guarantee project has the following primary objectives:

- Determine if the current FASAB direct loan and loan guarantee disclosure requirements are relevant and meet the needs of stakeholders.
- Determine areas where direct loan and loan guarantee disclosure requirements can be improved, clarified, and streamlined to reduce burden on preparers, auditors, and users.
- Determine ways to increase the meaningfulness of the direct loan and loan guarantee disclosures to users and other stakeholders. For example, determine if there are ways to improve the presentation and format.
- Determine if certain direct loan and loan guarantee disclosure information would be better suited for RSI.

The loan disclosure task force was formed in July 2025. The task force is composed of preparers from various agencies, auditors, and users of credit information.

FY 26 (work completed as of September 30, 2026)	**RE** – Staff presented to the Board recommendations on alternatives to streamline the loan note disclosure based on feedback from the loan disclosure task force and other stakeholders.
FY 27	**RE** / **DE**
FY 28	**DE** / **FI**
FY 29	**FI**

Environmental and Disposal Liabilities

The objective of this project is to reexamine the current environmental and disposal liabilities (E&DL) pronouncements as part of the reexamination of existing standards project. This includes a review of SFFAS 5, *Accounting for Liabilities of the Federal Government*, and chapter 4, *Cleanup Costs,* from SFFAS 6, *Accounting for Property, Plant, and Equipment*.

As a part of the research phase, the Board will consider stakeholder concerns, including responses from the Invitation to Comment (ITC), such as determining if additional guidance is needed for reasonable estimates, clarifying the use of contingencies in E&DL estimates, and including additional examples and definitions as needed.

As part of FASAB's overall reexamination of existing standards project, the Board is considering ways to improve, clarify, and streamline GAAP for E&DL.

FY 26 (work completed as of September 30, 2026)	**RE** – Board members approved this project for the technical agenda at the August 2026 meeting
FY 27	**RE**
FY 28	**RE** / **DE**
FY 29	**DE** / **FI**

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*, 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. SFFAS 34 preserved the long-standing and common practices of all U.S. accounting standard-setting bodies at the time it was issued in 2009. Since then, the FASB and GASB have revisited their respective four-level GAAP hierarchies, and each reduced the number of levels.

Stakeholder feedback indicated the federal GAAP hierarchy is complex. This project is intended to resolve longstanding questions, such as reexamining "practices that are widely recognized and prevalent in the federal government" to determine the intent. There is diversity in the views of preparers and auditors about which practices are part of the existing hierarchy. Given its importance and the feedback received from stakeholders, the Board will consider ways to improve, simplify, and clarify the federal GAAP hierarchy to ensure it is effective.

A FASAB GAAP hierarchy working group with representatives from each of the sponsors, financial management CFO community, audit community, and affiliated associations is assisting with the project. During 2026, the Board approved two basic criteria (exposed for public comment with the Board's consideration of comments and Board approval through formal vote or by not objecting) for inclusion in the federal GAAP hierarchy. Guidance that meets the basic criteria for inclusion in the hierarchy should then be assessed against the distinguishing characteristics of the highest-level GAAP and lower-level GAAP to determine placement. The distinguishing characteristics for the highest-level GAAP are 1) issued with the purpose of creating, amending, interpreting, or clarifying standards and 2) represented by a position of the Board (as indicated by formal voting and issuance by the Board). The distinguishing characteristics for the lower-level GAAP are 1) issued with the purpose of providing guidance for applying or implementing higher-level guidance and 2) developed under the oversight and approval of the Board (as indicated by a "does not object" approval by the Board and issuance by others).

Based on analysis of these distinguishing characteristics, the revised federal GAAP hierarchy would be two levels. SFFASs and Interpretations would continue to be the highest level of GAAP. TBs, TRs, SIGs would be a lower level in the hierarchy. AICPA Guides and practices widely recognized and prevalent would be move to Other Accounting Literature (OAL) because they do not meet the basic criteria for inclusion in the revised hierarchy. The Board tentatively agreed to the discontinuation of SIGs, pending determination of how the existing SIGs would be incorporated in the revised hierarchy.

The Board agreed to several improvements to be incorporated in the OAL discussion. For example, the discussion will be expanded to address the unique federal environment and elaborate on the central agencies role in providing statutory guidance to agencies through administrative directives that are integral in the preparation of financial statements would be helpful. In addition, the OAL discussion will be elaborated to clarify how the GAAP hierarchy is applied and the relationship of OAL. The Board also agreed to improvements to the principle for evaluating the appropriateness of OAL.

The working group is assessing the remaining technical areas of SFFAS 34 and then a proposed ED will be developed.

FY 26 (work completed as of September 30, 2026)	**RE** – The Board approved basic criteria for inclusion in the federal GAAP hierarchy and distinguishing characteristics for placement in the hierarchy that results in a two-level hierarchy. The Board also agreed to improvements to be incorporated in the OAL discussion.
FY 27	**DE**
FY 28	**FI**
FY 29	

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.

As part of the reporting model project, FASAB published SFFAC 10, *Omnibus Concepts Amendments*, and SFFAS 64, *Management's Discussion and Analysis*, in September 2024.

SFFAS 64 provides a comprehensive set of standards to guide management in how to present a discussion and analysis 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.

MD&A: Implementing SFFAS 64

On June 26, 2026, FASAB staff issued SIG 64.1, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis.*

This SIG does not establish new requirements; rather, it is intended to assist preparers with the implementation of SFFAS 64.

After the issuance of SIG 64.1 staff committed to providing "encore" implementation training and guidance in preparation for reporting MD&A in accordance with SFFAS 64 for fiscal year 2026. Staff provided encore MD&A training to over 20 federal reporting entities to help them transition to SFFAS 64. This encore training was agency specific, and staff worked with some agencies multiple times.

FY 26 (work completed as of September 30, 2026)	**DE** / **FI** – On June 26, 2026, FASAB staff issued SIG 64.1, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis.*
FY 27	
FY 28	
FY 29	

Technical Clarifications and Omnibus Amendments

The federal financial management community has expressed concern that resources are increasingly constrained. Because of competing demands, it is important for the Board to be responsive to requests for clarifications. While similar to the reexamination of existing standards project, this project includes efforts to address specific requests to clarify portions of existing standards. This is considered an ongoing project because the Board considers requests, as appropriate, that may arise from technical inquiries, outreach, and other avenues. The Board assesses requests against the federal financial reporting objectives and considers addressing areas that provide benefits that clearly exceed costs. The Board may address these requests through the appropriate level of GAAP guidance. There are currently no active projects related to clarification requests.

This 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. Omnibus amendments are narrow in scope and do not create substantive new requirements for reporting entities. Although there is no current omnibus document under development, identifying and tracking omnibus candidates is an important part of ongoing activities. This approach helps to ensure efficient use of Board time and ease the burden on respondents.

Implementation Guidance for 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 and assess areas that may need clarifications or additional guidance.

DoD briefed the Board at the August 2026 meeting to discuss potential standard accommodations and amendments to certain federal accounting standards that they believed would help them achieve an unmodified audit opinion by FY 2028. Although the Board did not accept the DoD proposals, the Board agreed to add the environmental and disposal liabilities reexamination project to the technical agenda that may address some of DoD's concerns in this area. The Board also agreed that staff should continue to proactively work with DoD to provide practical guidance within the framework of existing accounting standards.

FY 26 (work completed as of September 30, 2026)	**RE**
FY 27	**RE**
FY 28	**RE**
FY 29	

Table 2 - Technical Agenda Consolidated Work Plan Matrix

Technical Activities	Status FY26	FY 27	FY 28	FY 29	Project Email
Accounting and Reporting of Government Land	PIR	PIR			land@fasab.gov
Intangible Assets					intangibles@fasab.gov
Software Technology	DE	FI			
Working Definition of Intangible Asset	RE				
Intangible Asset Concepts and Standards	DE	FI			
Leases	RE DE FI PIR	FI			leases@fasab.gov
ASIC Project Related to Leases Implementation	RE	RE			
Public-Private Partnerships	RE	RE DE	FI		P3s@fasab.gov
ASIC Project Related to P3's Implementation	DE FI				
Reexamination of Existing Standards					reexamination@fasab.gov
Commitments	RE DE	DE	DE	FI	commitments@fasab.gov
Direct Loans and Loan Guarantees	RE	RE DE	DE FI	FI	directloans@fasab.gov
Environmental and Disposal Liabilities	RE	RE	RE DE	DE FI	EDL@fasab.gov
Federal GAAP Hierarchy	RE	DE	FI		gaaphierarchy@fasab.gov
Reporting Model					mda@fasab.gov
MD&A: Implementing SFFAS 64	DE FI				
Technical Clarifications and Omnibus Amendments					omnibusamend@fasab.gov
Implementation Guidance for DoD	RE	RE	RE		

RE = Research phase
DE = development and ED phase
FI = resolution and finalization phase
PIR = Post-Implementation Review

Research Topics

These research topics 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 Reexamination

There have been considerable changes to the government environment since SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, was issued in 1996. Certain issues have been identified for reexamination. The Board paused research activities during FY 2025 through FY 2026 due to the temporary prioritization of other short-term technical activities. During the Board's most recent review of its technical agenda, the Board discussed project priorities, and discussed how the Board might prioritize this project.

ASIC Project Related to Leases Implementation

Staff will continue to monitor implementation of SFFAS 54, *Leases*, and identify implementation guidance candidates for future ASIC discussion and consideration.

Digital Assets

During its review of the technical agenda in August 2026, the Board added digital assets as a research topic.

Equity Investments in Non-federal Entities

During its review of the technical agenda in August 2026, the Board added equity investments in non-federal entities as a research topic.

Monitoring Topics

This monitoring topic will remain active until the Board either (1) elevates the topic to a research topic or an active project or (2) decides monitoring is no longer needed. Monitoring topics are considered as lower-level priorities and not active on the Board's technical agenda.

Reporting Entity Reorganizations and Abolishments

The objectives of this activity are to monitor activity and research reorganization and abolishment accounting principles and disclosures and related practice issues and consider whether current accounting and disclosure standards and guidance are sufficient to meet practitioner and user information needs.

In FY 2025, staff released a request for information and comment seeking information from practitioners to identify emerging accounting issues related to recent, ongoing, or potential reorganization activities and events. Based on information received and research to date, existing accounting guidance may be sufficient. While significant, pervasive issues were not identified in FY 2026, staff continues to monitor this area.

ASIC Activities

On August 4, 2026, FASAB issued TR 24 titled *Implementation Guidance for SFFAS 49, Public-Private Partnerships.*

This TR helps ensure that integrated information is provided through concise, meaningful, and transparent disclosures; disclosures are not duplicative; and financial reporting objectives are met while mitigating preparer burden.

Additionally, this TR may serve as an acceptable analogy for other Statements in addition to the Statements addressed by the TR. Therefore, while this implementation guidance would not specifically address other types of federal activities, such as direct loans or loan guarantees, reporting entities could consider this TR when applying SFFAS 34, The *Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*, to other types of P3 arrangements or transactions.

Current ASIC Members

Monica R. Valentine, ASIC Chair
Executive Director
FASAB

Pauletta Battle
Council of the Inspectors General on Integrity and Efficiency (CIGIE) Representative
Treasury, Office of Inspector General (OIG)

Brian Casto
Treasury

James Hodge
CIGIE Representative
Federal Housing Finance Agency, OIG

Joseph P. O'Neill
GAO

Dorothy Potter
At-Large Member
NDU

Marguerite E. Pridgen
Office of Federal Financial Management
OMB

Chief Financial Officers Council (CFOC) Representative
Vacant

CFOC Representative
Vacant

2027 Meetings

February 23-24, 2027
April 13-14, 2027
June 15-16, 2027
August 17-18, 2027
October 19-20, 2027
December 14-15, 2027

Interested in attending a meeting in 2027? FASAB holds bimonthly meetings, usually on a Tuesday and Wednesday. Some meetings are virtual, and other meetings are in-person. Regardless of whether the Board meeting is virtual or in-person, you may observe the meeting virtually. Registration is required for both virtual and in-person attendance. For more information, please visit our website.

Abbreviations

AFERM	Association for Federal Enterprise Risk Management
AICPA	American Institute of Certified Professional Accountants
ASIC	Accounting Standards Implementation Committee
CBO	Congressional Budget Office
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CFOC	Chief Financial Officers Council
CPE	Continuing Professional Education
DE	Development Phase
DOD	Department of Defense
ED	Exposure Draft
FAF	Financial Accounting Foundation
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FI	Finalization Phase
FSAN	Financial Statement Audit Network
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GASB	Governmental Accounting Standards Board
GPFFR	General Purpose Federal Financial Report
G-PP&E	General Property, Plant, and Equipment
IPSASB	International Public Sector Accounting Standards Board
IT	Information Technology
MD&A	Management's Discussion and Analysis
MOA	Memorandum of Understanding
NDU	National Defense University
OAL	Other Accounting Literature
OIG	Office of Inspector General
OMB	Office of Management and Budget
P3	Public-Private Partnership
PV	Preliminary Views
RE	Research Phase
RFI	Request for Information
RSI	Required Supplementary Information
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards
SIG	Staff Implementation Guidance
SL	Stewardship Land
SME	Subject Matter Expert
TB	Technical Bulletin
TR	Technical Release
USSGL	United States Standard General Ledger

We want to hear from you.

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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