

*Exposure Draft Technical Release:  
Implementation Guidance for SFFAS 49, Public-Private Partnerships*

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This proposed Federal Financial Accounting Technical Release (TR) would assist reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 49, *Public-Private Partnerships: Disclosure Requirements*.

**QFR 1** Do you generally support the proposed additional guidance, including the proposed general principles contained in this TR? Please also explain any alternatives or additional implementation challenges that you suggest the Committee address and the reasons for your position. Refer to paragraphs 1-9 that discuss this TR’s proposed purpose and scope and paragraphs A10-A12 in the basis for conclusions.

Yes, I support the proposed additional guidance, including both (1) the proposed process flowchart and (2) the summary of disclosure requirements. The flowchart has great potential for visually illustrating how SFFAS 49 applies to SFFAS 47 and SFFAS 54, making it easier for agencies to understand the relationships between these standards and how to apply them in practice. It simplifies the decision-making process, ensuring consistency across agencies.

The summary of disclosure requirements is also helpful, as it provides a clear overview of what needs to be disclosed, reducing the risk of important information being missed or disclosed incorrectly. This helps agencies streamline their reporting process and ensures that disclosures are complete and aligned with the standards.

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If I were to suggest anything, it might be to include examples of complex situations where multiple standards apply. Additionally, further clarification on how to handle situations where there is overlap or conflict between disclosure requirements could be useful.

**QFR 2** Do you generally support the proposed guidance related to applying the risk-based characteristics in SFFAS 49? Please also explain any alternative solutions to the proposed answers or additional questions that you suggest the Committee address and the reasons for your position. Refer to paragraphs 10-13, the proposed questions and answers, and paragraph A10 in the basis for conclusions.

Yes, I support the proposed guidance on applying the risk-based characteristics in SFFAS 49. It clarifies complex concepts like risk-of-loss triggers by distinguishing between "conclusive" and "suggestive" characteristics, making it easier for agencies to determine which risks need to be disclosed. The guidance also ties materiality assessments to real-world risks, helping agencies focus on important disclosures. Aligning SFFAS 49 with other standards like SFFAS 47 and 54, and providing flowcharts and a disclosure matrix, will reduce redundancy and ensure consistent reporting. More real-life examples and guidance on handling unclear risk characteristics might positively impact practical application. Additionally, addressing potential differences in auditor interpretations could reduce inconsistencies across agencies.

**QFR 3** Do you generally support the proposed guidance that clarifies the interrelationship between SFFAS 49 and SFFAS 47, *Reporting Entity*? Please also explain any alternative solutions to the proposed answers or additional questions that you suggest the Committee address and the reasons for your position. Refer to paragraphs 14-20, the proposed questions and answers, paragraphs A10-A14 in the basis for conclusions, and appendix B.

Yes, I generally support the proposed guidance clarifying the relationship between SFFAS 49 and SFFAS 47, *Reporting Entity*. It helps agencies better understand how P3 arrangements should be treated in relation to reporting entities, making it easier to determine which risks and obligations should be reflected in financial statements. This reduces confusion and ensures consistent, accurate reporting. The guidance also defines boundaries clearly between public and private roles in P3s, which is especially helpful in complex cases. It might be beneficial to provide more examples of situations where the reporting entity's scope is unclear or where interpretation differences may arise. This could help agencies apply the guidance more consistently.

**QFR 4** Do you generally support the proposed guidance that clarifies the interrelationship between SFFAS 49 and SFFAS 54, *Leases*? Please also explain any alternative solutions to the proposed answers or additional questions that you suggest the

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Committee address and the reasons for your position. Refer to paragraphs 21-31, the proposed questions and answers, paragraphs A10-A14 in the basis for conclusions, and appendix B.

Yes, I support the proposed guidance that clarifies the interrelationship between SFFAS 49 and SFFAS 54, Leases. The guidance effectively links these two standards, making it clearer how to treat P3 leases and ensuring consistent and accurate reporting. It integrates the reporting entity assessment from SFFAS 47 into the workflow, helping agencies determine when both SFFAS 47 and 49 disclosures are required. Additionally, it ties lease evaluations under SFFAS 54 directly to the P3 assessment, ensuring that both lease-specific disclosures and broader P3 risks are addressed. The cross-referencing strategies and the detailed matrix in the appendix further reduce duplication and ensure consistency across disclosures. More examples for hybrid arrangements and ensuring consistency in how auditors interpret the guidance might further enhance its usefulness.

**QFR 5** Do you generally support the proposed guidance that coordinates the disclosures when other standards covering long-standing arrangements/transactions also apply? Refer to paragraphs 32-36, the proposed questions and answers, paragraphs A11-A12 in the basis for conclusions, and appendix B.

Yes, I support the proposed guidance for coordinating disclosures when multiple standards apply to long-standing arrangements. The guidance offers a clear, principle-based approach, ensuring that P3 disclosures complement rather than override existing notes under SFFAS 47, 54, or others. A structured flowchart helps users navigate from identifying material P3s to coordinating disclosures, with practical examples and a matrix that aligns items across relevant standards to avoid duplication. More clarification on handling conflicts between standards and additional examples for complex situations might improve its usefulness.

**QFR 6** Do you generally support including (1) the proposed process flowchart that illustrates the applicability of SFFAS 49 to SFFAS 47 and SFFAS 54 and (2) the summary of disclosure requirements? If not, please explain any alternative solutions to the proposed material that you suggest the Committee address and the reasons for your position. Refer to appendix B.

Yes, I support including both the process flowchart and the summary of disclosure requirements. The flowchart clearly illustrates how SFFAS 49, 47, and 54 interrelate, making it easier for agencies to apply the standards consistently. The summary is a helpful for ensuring complete and accurate disclosures. More examples for complex situations and clarifying how to handle overlapping or conflicting disclosures might improve these tools. While the flowchart and matrix are useful, they might be made more accessible by simplifying the process for smaller P3s and adding sample footnotes or criteria reminders to aid implementation.

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**QFR 7** Do you have any comments or suggestions on other aspects of the proposed TR that are not addressed in the above questions? Please note that these proposals may be further modified before a final TR is issued. As such, it is important that you comment on aspects that you favor as well as any that you do not favor.

The exposure draft represents invaluable guidance as a meaningful step forward for all stakeholders. Suggestions presented for consideration: Enhanced clarity on recognizing P3-related assets and liabilities, addressing loan guarantees, and adapting internal controls or IT systems might be useful. Including examples of narrative footnotes and guidance on legacy contracts might also improve practicality. Additionally, covering emerging topics like ESG risks, cybersecurity, and climate disclosures might keep the draft current. More detailed connections to policies from OMB, Treasury, and GAO might further help agencies align with broader federal requirements.