



# *FASAB Newsletter* *Federal Accounting* *Standards Advisory Board*

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## **Staff News**

### **[Robin Gilliam Wins Distinguished Leadership Award](#)**

The Montgomery/Prince George’s County Chapter of the Association of Government Accountants announced that it has awarded Ms. Robin Gilliam the Distinguished Leadership Award for the 2020/2021 Program Year.

The Distinguished Leadership Award is given to a government leader or senior official who has shown leadership within the government. The chapter recognized Ms. Gilliam for her leadership and longstanding achievement in implementing and improving financial management in the government, especially in her critical leadership role within the Federal Accounting Standards Advisory Board (FASAB or “the Board”). Further, the chapter recognized Ms. Gilliam for her dedication to providing the chapter with FASAB updates.

A big congratulations to Ms. Gilliam for being recognized for all of her hard work and accomplishments!

#### Disclaimer

The staff of the Federal Accounting Standards Advisory Board publishes the FASAB newsletter following board meetings to provide highlights of recent Board actions and issues. When an article refers to a Board decision, it should be understood that this is tentative until FASAB issues a Statement of Federal Financial Accounting Concepts (SFFAC) or Statement of Federal Financial Accounting Standards (SFFAS).

Please direct newsletter editorial questions to Leigha Kiger at 202-512-7358 or [kigerl@fasab.gov](mailto:kigerl@fasab.gov).

Please direct FASAB and AAPC administrative questions to Romona Parker at 202-512-7350 or [parkerr1@fasab.gov](mailto:parkerr1@fasab.gov).

## Current Board Projects

*(For more information, click on the title of the project to be directed to the related active project page or research topic.)*

### Accounting and Reporting of Government Land

The Office of Management and Budget's acting director notified the Board of a 90-day extension of the sponsor review period for proposed Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*. With the extension, SFFAS 59 is expected to be issued in late July 2021.

See the [land project page](#) to learn more.

Point of Contact: Domenic Savini, 202-512-6841, [savinid@fasab.gov](mailto:savinid@fasab.gov)

### Intangible Assets

On May 12, 2021, FASAB staff hosted a task force meeting on intangible assets research. During the meeting, staff discussed the results of the task force survey and other research efforts. Based on the research findings, staff then presented approaches for intangible asset guidance to propose to the Board during the June meeting. After considering feedback from task force members, staff made further edits to the June Board material.

Visit the [intangible assets research task force webpage](#) for further information, including the meeting agenda and minutes.

Point of Contact: Josh R. Williams, 202-512-4051, [williamsjr@fasab.gov](mailto:williamsjr@fasab.gov)

### Leases

At the April 2021 Board meeting, members reviewed a compendium of comment letters along with staff's analysis and recommended changes to the omnibus amendment proposals on leases-related topics resulting from those comments.

Respondents were generally supportive of the exposure draft (ED) and also provided several insightful recommendations that resulted in staff recommendations to and agreed upon by the Board.

The Board will discuss a few outstanding technical issues at the June meeting and receive a copy of the implementation guidance once the Accounting and Auditing Policy Committee (AAPC or “the Committee”) approves it.

Visit the Board’s [leases project page](#) and the AAPC’s [leases implementation project page](#) to learn more.

Point of Contact: R. Alan Perry, Jr., 202-512-5720, [perryra@fasab.gov](mailto:perryra@fasab.gov)

## Reporting Model Initiative

### Management’s Discussion and Analysis

At the April 2021 Board meeting, members reviewed the findings from the MD&A pilot agencies and user reviewers.

Visit the [MD&A project page](#) to learn more about the Board’s decisions around the timeline and roadmap for streamlining the MD&A.

Point of Contact: Robin Gilliam, 202-512-7356, [gilliamr@fasab.gov](mailto:gilliamr@fasab.gov)

### Note Disclosures

At the April 2021 Board meeting, members continued to discuss proposed note disclosures amendments to Statement of Federal Financial Accounting Concepts 2, *Entity and Display*.

Visit [the note disclosures project page](#) to learn more.

Point of Contact: Monica Valentine, 202-512-7350, [fasab@fasab.gov](mailto:fasab@fasab.gov)

## Technical Clarifications of Existing Standards

### Debt Cancellation

On May 25, 2021, FASAB released for comment the proposed Interpretation of Federal Financial Accounting Standards titled *Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313*.

The proposed Interpretation would clarify that debt cancellation is a nonexchange activity that should be reported on the statement of changes in net position (SCNP). This proposed Interpretation would also clarify that paragraph 313 of SFFAS 7 should not be interpreted to require that a particular line item “gain” or “loss” be displayed on the SCNP.

In addition to the proprietary accounting and reporting discussed above, budgetary accounting should be considered. As noted in paragraph 313 of SFFAS 7, the cancellation of debt requires an Act of Congress. Each debt cancellation is governed by the particular language used in the enacted legislation canceling the debt. This proposed Interpretation would not provide guidance on budgetary accounting, which is issued by central agencies.

The Board requests comments on the ED by July 23, 2021. Respondents are encouraged to provide the reasons for their positions. The ED and the specific question raised are available on the FASAB website in PDF and Microsoft Word format, respectively (<https://www.fasab.gov/documents-for-comment/>).

Visit the [debt cancellation project page](#) to learn more.

Point of Contact: Melissa Batchelor, 202-512-5976, [batchelorm@fasab.gov](mailto:batchelorm@fasab.gov)

### [Non-Federal, Non-Entity Fund Balance with Treasury](#)

On May 10, 2021, FASAB issued Interpretation 10, *Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31*. Interpretation 10 clarifies the classification and presentation of non-federal non-entity Fund Balance with Treasury (FBWT) in paragraph 31 of SFFAS 1, *Accounting for Selected Assets and Liabilities*. Specifically, Interpretation 10 clarifies that non-federal non-entity amounts received for unfilled orders (including amounts a customer advances for orders that may be placed in the future or deposits made as part of a bid or settlement process) and deposited into the General Fund of the U.S. Government should be reported as an intragovernmental asset by the component reporting entity.

Interpretation 10 is available at <https://fasab.gov/accounting-standards/>.

Visit the [non-federal, non-entity fund balance with Treasury project page](#) to learn more.

Point of Contact: Melissa Batchelor, 202-512-5976, [batchelorm@fasab.gov](mailto:batchelorm@fasab.gov)

## [Accounting and Auditing Policy Committee](#)

### [Leases Implementation](#)

At the May 2021 AAPC meeting, the Committee reviewed a few outstanding issues and changes resulting from its March meeting, along with conforming edits to the draft implementation guidance that resulted from the April Board meeting.

Committee members provided additional clarifying edits, suggested improvements, and approved a majority of the changes presented and made by staff during the

meeting. Committee members agreed to provide contingent approval on certain guidance that may be affected by Board decisions at the forthcoming June meeting.

The Committee agreed to fold [conforming amendments to existing technical releases](#) resulting from the new leases guidance into the implementation guidance technical release (TR). These conforming amendments (to TR 10 and TR 16) will be presented as a separate section of the forthcoming TR. Amendment proposals had previously been exposed for public comment in February 2019. The Committee agreed with staff's recommendation to rescind certain guidance in TR 16 pertaining to cloud computing arrangements and software licenses in light of ongoing Board projects in these areas and rules of procedure that prevent the Committee from promulgating new accounting standards or standards which may conflict with existing Statements.

Visit the AAPC's [leases implementation project page](#) to learn more.

### [FASAB Seeks Candidates to Fill AAPC At-Large Member Vacancy](#)

The FASAB Steering Committee is soliciting nominations to fill a vacancy on the AAPC for the at-large member seat. The deadline for submissions is June 11, 2021.

Nominees should have demonstrated experience in developing and issuing federal accounting policies, preparing agency financial statements, or directing and conducting federal financial statements audits.

The AAPC is a permanent committee of FASAB and an integral part of the Board's mission to improve federal financial reporting by timely identifying, discussing, and recommending solutions to accounting issues within the framework of existing authoritative literature.

The Board's Rules of Procedure authorize the AAPC to issue TRs related to existing federal accounting standards. TRs are the third level of authoritative guidance on the hierarchy of generally accepted accounting principles in the federal government. The Committee works under FASAB's general oversight.

The AAPC consists of 11 members, including three from the CFO community, three from the Inspectors General community, one from each of the three FASAB sponsors, one at-large member, and the FASAB Executive Director (who serves as a non-voting member and chair).

The appointment will be announced in June, and the new term will begin in July 2021. Initial terms are three years with possible reappointment for up to one additional three-year term.

There are two ways you can assist us in filling this position: (1) identify any candidates that you would like us to consider; and/or (2) share our request with individuals you believe should consider the opportunity to serve.

Please submit nominations to [fasab@fasab.gov](mailto:fasab@fasab.gov). Nominations, including self-nominations, should include the name, organization and position, and contact information of the nominee, along with a short biography, description of qualifications, or resume.

AAPC Staff Liaison: R. Alan Perry, Jr., 202-512-5720, [perryra@fasab.gov](mailto:perryra@fasab.gov)

Until further notice, FASAB and AAPC meetings will be held via teleconference. If you wish to observe a FASAB meeting via teleconference, the telephone number and observer passcode are available on the posted agendas.

## FASAB Meeting Schedule

2021

June 22-23  
August 24-25  
October 26-27  
December 14-15

Until further notice, meetings will begin at 9:30 a.m.

Agendas and briefing materials are available at <https://www.fasab.gov/briefing-materials/> approximately one week before the meetings. Agendas include conference line information for those interested in observing the teleconference meetings.

## AAPC Meeting Schedule

2021

August 12  
November 18

Agendas are available at <https://fasab.gov/about-aapc/aapc-meetings/> approximately one week before the meetings. Agendas include conference line information for those interested in observing the teleconference meetings.

## Security Notice for In-Person Meetings

FASAB and AAPC meetings will be held via teleconference until further notice. When in-person meetings resume and you wish to attend, please pre-register on our website at <https://www.fasab.gov/pre-registration/> **no later than 8 a.m. the Monday before the meeting to be observed.** GAO, which provides space for our meetings, has increased its security procedures, and your name must be provided in advance to the GAO security force before you can enter the building. **When you arrive, please advise the security officer that you are attending either a FASAB or an AAPC meeting. Doing so will assist the officer in locating the correct security list.** Thank you.