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Annual Report and Three-year Plan

On January 16, 2026, the Federal Accounting Standards Advisory Board (FASAB or “the Board”) published its *Annual Report for Fiscal Year 2025 and Three-Year Plan*. The combined report allows stakeholders to consider FASAB’s progress and invites them to advise the Board about its plans.

The report reviews the Board’s efforts and accomplishments during fiscal year 2025 and provides information and three-year timelines for current projects.

FASAB requests your written comments regarding the content of the annual report and the three-year plan. Please provide your comments by **March 13, 2026**.

The report is available at <https://fasab.gov/about-fasab/our-annual-reports>.

Current Board Projects

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

[Intangible Assets](#)

At the December 2025 meeting, the Board deliberated:

- Accounting guidance for useful life estimation and amortization for intangible assets and internal use software
- Accounting guidance for enhancement and maintenance costs for intangible assets and internal use software

Visit the [intangible assets project page](#) to learn more.

For questions about this project, email intangibles@fasab.gov.

[Leases](#)

At the December 2025 meeting, the Board discussed “embedded leases”—a common industry term which generally describes contracts or agreements that contain lease component(s) and nonlease component(s), such as service components, and serve a primary purpose attributable to the nonlease component(s).

Members tentatively decided to propose a practical expedient for contracts or agreements meeting certain embedded leases eligibility conditions. Based on staff’s research, members agreed that embedded leases are expected to be immaterial and that the expected benefits of identifying, separating, recognizing, and measuring them on a prospective basis (following the transitional accommodation period provided by Statement of Federal Financial Accounting Standards (SFFAS) 62, *Transitional Amendment to SFFAS 54*) would not justify the expected costs of doing so.

Members discussed the timing of the project, public comment period, and issuance a final pronouncement in relation to the transitional accommodation end-date of September 30, 2026. After some tentative discussions and feedback to staff, the Board agreed to receive additional information and alternatives on project timelines, effective date, and transition at the February 2026 meeting.

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

For questions about this project, email leases@fasab.gov.

[Public-Private Partnerships](#)

The Board advanced key work on its public-private partnerships (P3s) project at its December meeting. Members reviewed a revised Technical Release (TR) providing implementation guidance for SFFAS 49, *Public-Private Partnerships*, and agreed it would help agencies apply the SFFAS more consistently. The Board also affirmed that consolidated entities are not exempt from SFFAS 49 reporting, noting that consolidation neither removes the underlying risk-sharing relationship nor the need for transparency. With no objections, the Board agreed to forwarding the guidance to the Accounting Standards Implementation Committee (ASIC) for finalization.

In discussing related implementation issues, the Board agreed that additional examples and emerging questions should be addressed through training and outreach rather than expanding the TR. This approach ensures agencies receive timely practical support while keeping the guidance focused and aligned with SFFAS 49 and related implementation challenges.

Visit the [P3s project page](#) to learn more.

For questions about this project, email p3s@fasab.gov.

Reexamination of Existing Standards

[Commitments](#)

At the December 2025 meeting, the Board discussed changes to the commitment working definition based on members' suggestions during the August 2025 meeting. The Board generally did not support including "measurable" in the definition, as doing so would result in the exclusion of significant agreements that may not be measurable. The Board also proposed removing the footnote to keep the definition concise.

The Board generally supported the task force recommendation to exclude agreements subject to reporting requirements by specific standards from the scope of the project. Some members recommended staff to analyze existing standards for similarities and discrepancies and determine (1) if those agreements meet the commitment definition, and (2) if the disclosures required by the specific standards are consistent with the commitments disclosures. The similarities and differences would help the Board better determine the scope exclusions.

The Board supported the task force recommendation that staff work with the CFO Council and the task force to develop categories of federal commitments to help reporting entities identify agreements for commitments reporting.

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

For questions about this project, email commitments@fasab.gov.

[Federal GAAP Hierarchy](#)

At the December 2025 meeting, the Board received an update on the GAAP hierarchy project and working group research to-date. The working group is evaluating how sources of guidance should be defined and presented in an updated GAAP hierarchy.

Staff described the working group's approach: first, identifying basic characteristics that guidance must meet to be included in the hierarchy, and, second, applying distinguishing characteristics to determine placement among higher- and lower-level GAAP within the hierarchy. The Board agreed on two basic characteristics: (1)

exposed for public comment with Board consideration of stakeholder feedback and (2) Board approval.

The Board also agreed with staff's proposed distinguishing characteristics. Highest-level GAAP would consist of guidance affirmatively voted on and issued by the Board to create, amend, interpret, or clarify standards.

Using this framework, staff presented its assessment of existing sources of federal accounting guidance. The Board generally agreed with the assessment that SFFASs and Interpretations should remain at the highest level of GAAP, while Technical Bulletins (TBs), TRs, and Staff Implementation Guides (SIGs) meet the basic inclusion criteria but should be classified as lower-level GAAP.

The Board discussed the unique role of TBs, emphasizing their importance in providing timely, narrowly focused guidance while recognizing that current due process considerations limit their placement within the hierarchy.

Staff recommended removing AICPA Industry Audit and Accounting Guides and practices widely recognized and prevalent in the federal government from the hierarchy, as they do not meet the basic inclusion characteristics. These sources, along with Statements of Federal Financial Accounting Concepts (SFFACs), would instead be presented as other accounting literature. Board members generally agreed, while noting the complexity of addressing long-standing federal practices.

The Board also agreed with staff's recommendation to discontinue the use of SIGs and rely on TBs for future narrow, time-sensitive topics. Existing SIGs, including the proposed management's discussion and analysis SIG under development, will be addressed as part of the revised hierarchy based on further working group study and Board deliberations.

Staff will continue working with the working group to further develop the presentation and role of other accounting literature, including compiling an inventory of widely recognized and prevalent practices in the federal government and considering whether an order of precedence or tiered approach would be helpful.

Visit the [federal GAAP hierarchy project page](#) to learn more.

For questions about this project, email gaaphierarchy@fasab.gov.

Reporting Model

Management's Discussion and Analysis

On January 13, 2026, FASAB staff released an exposure draft (ED) on proposed SIG 64.1 titled *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis*.

On September 27, 2024, FASAB issued SFFAS 64, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15*. Staff then provided training for over 35 federal reporting entities between February and May 2025 and collected questions to help develop implementation guidance.

On September 4, 2025, staff held a public meeting to introduce the draft SIG 64.1 ED. Approximately 150 people attended the public meeting from over 50 federal entities. Attendees provided feedback to 14 polling questions indicating whether there was a need for the implementation guidance to be updated. Staff updated the proposed SIG 64.1 in accordance with the attendee feedback.

Staff requests comments on the ED by **March 13, 2026**. Respondents are encouraged to provide the reasons for their positions. The ED (in PDF format) and the specific questions raised (in Word format) are available on the [FASAB website](#).

Visit the [MD&A project page](#) to learn more.

For questions about this project, email mda@fasab.gov.

Accounting Standards Implementation Committee

[The ASIC Welcomes Marguerite Pridgen to the Committee](#)

The ASIC welcomes Ms. Marguerite Pridgen to the Committee. Ms. Pridgen began her federal career in acquisitions and grants and currently works in the Office of Management and Budget, Office of Federal Financial Management implementing Presidential directives on systems and standards improvement. She has an MBA from The George Washington University.

[ASIC P3s Project](#)

At the ASIC meeting on February 4, staff provided an analysis of comment letters received on the ASIC's proposed SFFAS 49 TR titled *Implementation Guidance for Public-Private Partnerships*. The Committee approved moving to a ballot, pending a final review of an updated pre-ballot draft that incorporates meeting edits. Staff will distribute the formal ballot once the Committee clears the revised pre-ballot draft.

Visit the [ASIC P3s project page](#) to learn more.

For questions about this project, email p3s@fasab.gov.

FASAB Meeting Schedule

2026

February 25-26
April 14-15
June 16-17
August 18-19
October 20-21
December 15-16

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

ASIC Meeting Schedule

2026

May 6
August 12
December 2

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

Security Notice for In-Person Meetings

If you wish to attend the Board meeting in-person, please register on our website at <https://www.fasab.gov/pre-registration/> **no later than 5 p.m. the Thursday before the meeting to be observed.** Due to security concerns late registrations will not be accepted – NO EXCEPTIONS. 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 a FASAB meeting. Doing so will assist the officer in locating the correct security list.** Thank you.