Current Board Projects

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

Federal Entity

The Federal Entity project was not discussed at the February Board meeting. Staff is continuing work toward an Exposure Draft for the Board’s consideration.

Point of Contact: Melissa Loughan, 202-512-5976, loughanm@fasab.gov


Staff is continuing a series of focus group discussions regarding the information needs of federal financial report users. After several years of substantial progress in financial reporting, the Board believed that it was time to revisit user information needs and
decided to engage the community through a series of focus group discussions. The discussions would ultimately help the Board better understand what information should be presented in federal financial reports today. Discussions have been conducted with deputy chief financial officers, auditors, and other experts in federal financial reporting and more discussions are planned throughout March and April 2009.

Point of Contact: Ross Simms, 202-512-2512, simmsr@fasab.gov

Fiscal Sustainability Reporting

Comments on the exposure draft (ED), Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government, were requested by January 5, 2009. A public hearing was held on February 25, 2009.

On February 26, 2009, the Board discussed significant areas where respondents and/or public hearing speakers expressed disagreement with the Board’s proposals in the ED, as well as the responses to the minority proposals in the ED:

- **Areas of Respondents’ Disagreement with Board Proposals**
  - Reporting as Required Supplementary Information (RSI) (permanently) may be more appropriate than basic information for the proposed reporting [Question 12c]
  - Time Horizon for Projections [Question 5]
  - Review guidance on alternative scenarios for clarity [Question 9]
  - Clarify that “major programs” are not limited to social insurance programs [Question 7]
  - Illustrative Disclosure for “Fiscal Gap” (Illustration 8 in Appendix B) is unacceptably confusing [Question 4]
  - Clarify whether Treasury is encouraged to include the FAQs in the CFR [Question 11]
  - GAO recommended flexibility regarding consistency of economic and demographic assumptions with Social Security and Medicare in the Statement of Social Insurance [Questions 2 & 3]
  - GAO recommended additional disclosures [Question 3]

- **Respondents’ Reactions to Minority Board Proposals**
  - Requirements for RSI should address foreign holdings of U.S. Treasury debt [Question 13]
  - Analysis of potential policy proposals should not be included [Question 14]
  - Majority of respondents advised against developing reporting requirements relating to inter-generational equity [Question 15]

Staff is preparing a draft Statement of Federal Financial Accounting Standards based upon the Board’s decisions on the above issues.

Point of Contact: Eileen Parlow, 202-512-7356, parlowe@fasab.gov
Natural Resources

The project was not discussed at the February board meeting.

Point of Contact:  Julia Ranagan, 202-512-7377, ranaganj@fasab.gov

Social Insurance

At the Board meeting on February 26th the Board briefly reviewed the comments received in response to the exposure draft Accounting for Social Insurance, Revised, and considered issues raised by respondents. The vote tallies from the comments received as of February 18, 2009, although merely “raw” data, indicated three “broad issues” that constitute the respondents’ main areas of disagreement with the proposed standard, and with each other. They involve the appropriateness of (1) the closed group measure for social insurance, as a concept, (2) its display on the balance sheet or any basic financial statement or, indeed, anywhere in a financial report; and (3) the note disclosure of the accrued benefit obligation.

The closing date for comments on the social insurance ED had been very recent, and the staff had accelerated consideration of the social insurance issues in order to have a joint hearing for both EDs. Thus, a full staff analysis of all the social insurance issues was not possible. On the other hand, the Board had considered many of the issues previously. The exposure draft included an extensive basis for conclusions that explores the main issues raised by the respondents.

The Board discussed options for basic financial statement presentation. It directed the staff will explore some options. An early draft of the “options paper” will be sent to all Board members for comment and those members that have comments will provide them before the April meeting.

The Board voted not to go forward with either a liability recognized on the balance sheet, other than that based on the “due and payable” approach; or a line item on the balance sheet for social insurance commitments as proposed in the exposure draft. Other issues with be addressed in due course.

The Board also asked the staff to provide feedback on the proposal that the statement of changes in social insurance amounts focus on the open group measure rather than the closed group measure. This will be a component of the options paper.

Point of Contact: Richard Fontenrose, 202-512-7358, fontenroser@fasab.gov
Appropriate Source of GAAP

The second phase of this project will commence after the board finishes deliberating on the comments received on the ED, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. Comments were requested to be received by February 2, 2009. The initial analysis of comments was discussed at the February board meeting.

Point of Contact: Julia Ranagan, 202-512-7377, ranaganj@fasab.gov

General PP&E Valuation


Staff presented to the Board a brief summary of the exposure responses, a compilation of the respondent answers and comments by question, the full text of comment letters, and staff’s analysis of the responses. As of the meeting date 31 comment letters had been received on the ED. Staff identified four broad issues based on the ED responses for the Board’s discussion on revising the ED to convert it to a draft final standard. The identified issues were:

- The applicability of estimating G-PP&E guidance to internal use software (SFFAS 10);
- The use of estimates for previously reported G-PP&E;
- The use of a hierarchical list of acceptable estimation methods; and
- The inclusion of qualifiers in the standard to identify when the use of estimates is acceptable.

The Board agreed to specifically identify internal use software (SFFAS 10) in the standard as allowing the use of estimates and allowed the use of estimates for previously reported G-PP&E.

The Board directed staff to make the revisions to the draft standard to prepare it for pre-ballot review before the April Board meeting. The Board did not recommend a public hearing for this proposed standard.

Point of Contact: Monica Valentine, 202-512-7362, ValentineM@fasab.gov

Fiduciary Activities
The public comment period for draft Staff Implementation Guidance (SIG) for the implementation of SFFAS 31, *Accounting for Fiduciary Activities*, ended on December 3, 2008. On March 3, 2009 a revised final draft was forwarded to the Board for a 15-day review period, after which, absent objections from a majority of the Board, the SIG will be issued.

**Point of Contact:** Eileen Parlow, 202-512-7356, parlowe@fasab.gov

### GAAP Hierarchy

At the February 2009 meeting, the FASAB discussed comments received in response to the exposure draft (ED), *The Hierarchy of Generally Accepted Accounting Principles for Federal Entities, Including the Application of Standards Issued by the Financial Accounting Standards Board*. The ED included proposals to: (1) incorporate the hierarchy of generally accepted accounting principles (GAAP) into the FASAB’s authoritative literature; (2) clarify GAAP for those federal entities that are currently applying financial accounting and reporting standards issued by the Financial Accounting Standards Board (FASB); and (3) clarify that a federal entity that is preparing GAAP-based financial statements for the first time is required to implement FASAB standards unless the entity clearly demonstrates that the needs of its primary users would be best met through the application of FASB standards. Respondents generally agreed with the proposals in the ED and the Board agreed that a public hearing would not be conducted.

Also, the Board discussed concerns that staff should address while developing the final standard. Those concerns included (1) clarifying the location of administrative directives from organizations such as the Office of Management and Budget (OMB) within the hierarchy; (2) stating the Board’s plans for revisiting the source of GAAP issue; (3) discussing the approval process for newly created entities that wish to follow FASB GAAP; and (4) removing discussions that appear to treat the legislative and judicial branch entities different from executive branch entities. Staff will address these issues in a pre-ballot draft for the April 2009 meeting.

**Point of Contact:** Ross Simms, 202-512-2512, simmsr@fasab.gov

### Deferred Maintenance & Asset Impairment

Although the project was not discussed at the February board meeting, several volunteers as well as interested parties will begin meeting as a Task Force later this month. The goal will be to help identify enhancements that will improve compliance with FASAB’s reporting objectives. Should you or someone you know be interested in joining the Task Force, please contact the staff member listed below.

**Point of Contact:** Dominic Savini, 202-512-6841, SaviniD@fasab.gov
# FASAB Current Technical Agenda and Status of Projects

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**Conceptual Framework Project:**

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**Key Activities or Status - Note that all estimates of progress assume that exposure drafts are finalized as statements without re-exposure due to significant changes.**

- Research—Staff Research Phase of Project & Board Deliberations
- ED—Exposure Draft Issued
- DP—Board Due Process, including review of comment letters, etc.
- PH—Public Hearing
- PV—Preliminary Views Issued
- UR—Under Review, document approved by FASAB and sent to sponsors for 90-day review
- Final—Final Standard, Concept, Interpretation, etc. issued final.
Accounting and Auditing Policy Committee

At the January 28, 2009 meeting of AAPC Ms. Payne, AAPC Chair, announced the retirement of Mr. George Rippey (Deputy Assistant Inspector General for Audit, Office of Inspector General, U.S. Department of Education) from federal service. Mr. Rippey noted that his retirement would be effective February 3, 2009. Ms. Payne and the other members of the Committee congratulated Mr. Rippey on his federal service and his brief participation on the AAPC.

Donjette Gilmore, AAPC G-PP&E task force chair, and FASAB staff member Monica Valentine provided a brief update on the current work of the AAPC G-PP&E task force. The Committee discussed a draft issue paper from the Disposal subgroup of the AAPC G-PP&E task force “Identification and Recognition of Equipment Disposal Cleanup” Ms. Alaleh Amiri, Disposal subgroup leader lead the discussion. The purpose of the issue paper is to provide implementation guidance on the disposal cleanup of equipment and when to apply SFFAS 5 vs. SFFAS 6 cleanup cost recognition. The proposed guidance includes examples and a flowchart. Ms. Amiri informed the Committee that both functional PP&E experts and accountants from several different federal entities were involved.

The task force was formed to assist in developing implementation guidance for federal G-PP&E as it relates to SFFAS 6, Accounting for PP&E, SFFAS 23, Eliminating the Category National Defense Property Plant, & Equipment, and other related G-PP&E guidance developed by the FASAB. The task force meets monthly and has separated into four sub-groups that are named for the group of issues to be addressed by each sub-group. The G-PP&E sub-groups are Acquisition, Use, Disposal, and Records Retention and meet monthly separate from the full task meetings. The task force also has setup a web page on the FASAB website under the AAPC task forces link. The web page includes specific information about the task force as a whole, as well as each of the sub-groups, such as the list of members, list of potential issues to be addressed, and scope information for each sub-group.

The task force has over sixty members and is represented by over 20 federal entities and continues to welcome additional members to participate. Broad participation is important to ensuring that the guidance developed is appropriate for all impacted. If interested please contact FASAB Project Director Monica Valentine by email at valentinem@fasab.gov, with your information (email, phone number, etc.). Additional information on the work of the task, a list of issues being address, meetings, and other contact information can be found at the AAPC G-PP&E Task Force web portal at http://fasab.gov/aapc/genproptaskforce.html.

Updates on all AAPC projects can be found on the AAPC website. The minutes for all meetings can be found on the FASAB/AAPC website at http://fasab.gov/aapc/meeting.html.

Point of Contact: Monica Valentine, 202-512-7362, valentinem@fasab.gov
FASAB Meeting Schedule

**Schedule for 2009 Meetings:**

Wednesday, April 22\(^{nd}\) and Thursday, April 23\(^{rd}\)
Wednesday, June 17\(^{th}\) and Thursday, June 18\(^{th}\)
Wednesday, August 26\(^{th}\) and Thursday, August 27\(^{th}\)
Wednesday, October 21\(^{st}\) and Thursday, October 22\(^{nd}\)
Wednesday, December 16\(^{th}\) and Thursday, December 17\(^{th}\)

**Schedule for 2010 Meetings:**

Wednesday, February 24\(^{th}\) and Thursday, February 25\(^{th}\)
Wednesday, April 28\(^{th}\) and Thursday, April 29\(^{th}\)
Wednesday, June 23\(^{rd}\) and Thursday, June 24\(^{th}\)
Wednesday, August 25\(^{th}\) and Thursday, August 26\(^{th}\)
Wednesday, October 27\(^{th}\) and Thursday, October 28\(^{th}\)
Thursday, December 16\(^{th}\) and Friday, December 17\(^{th}\)

Unless otherwise noted, meetings begin at 9 AM and conclude at 4 PM. Meetings are held at 441 G Street NW in room 7C13. Agendas are available at [http://www.fasab.gov/meeting.html](http://www.fasab.gov/meeting.html) approximately one week before the meetings.

AAPC Meeting Schedule

**Schedule for 2009 Meetings:**

Thursday, March 19\(^{th}\) (Canceled)
Thursday, May 21\(^{st}\)
Thursday, July 16\(^{th}\)
Thursday, September 17\(^{th}\)
Thursday, November 19\(^{th}\)

Unless otherwise noted, meetings begin at 1 PM and conclude at 3 PM. Meetings are held at 441 G Street NW in room 7C13. Agendas are available at [http://fasab.gov/aapc/meeting.html](http://fasab.gov/aapc/meeting.html) approximately one week before the meetings.
Security Notice

If you wish to attend a FASAB or an AAPC meeting, please provide your name, organization, and phone number to staff at 202-512-7350 or fasab@fasab.gov at least two days before the meeting. The Government Accountability Office, which provides space for our meetings, has increased its security procedures and your name must be provided to the security force before you can enter the building. Thank you.