FASAB Mourns the Passing of CBO Member Robert P. Murphy

Robert Paul Murphy passed away August 12, 2008, in Washington, D.C., after a series of medical difficulties. Mr. Murphy was General Counsel of the Congressional Budget Office and served as CBO’s representative on FASAB.

Mr. Murphy was an active participant in FASAB deliberations during his tenure on the Board. He provided helpful insight regarding CBO’s long-term projections that advanced the Board’s work on fiscal sustainability. More importantly, Mr. Murphy exhibited a quality of leadership that brought people together, a spirit of caring for others, and a commitment to the
service rendered by the Board to the American people. He will be missed by the members and staff of the Board.

Seeking Candidates for Board Membership

FASAB maintains a registry of individuals interested in serving a five year term as a member of the Board. Currently, we are updating the registry to identify candidates for two vacancies occurring on July 1, 2000 when Board members James Patton and John Farrell will have completed their service.

We are particularly interested in candidates who have experience as:

- analysts of financial information,
- economists or forecasters,
- academics,
- auditors,
- preparers of financial information, or
- those otherwise knowledgeable regarding the use of financial information in decision making.

The registry is open to those not currently employed by the federal government. If you are interested in serving but need more information, the FASAB website includes a “Statement of Board Members’ Responsibilities,” a list of current members and a fact sheet (see http://www.fasab.gov/aboutfasab.html). The nonfederal members serve as part-time Special Government Employees and are compensated at an hourly rate for attendance at Board meetings and an equivalent amount of time for preparation (typically 200 hours per year).

The registry will be provided to the Appointments Panel in January 2009. The Panel—comprising three federal members, the FASAB chairman, and three individuals representing the American Institute of CPAs, the Financial Accounting Foundation and the Accounting Research Association—advises the FASAB Sponsors on appointments and re-appointments for the six nonfederal members of the Board. The Sponsors—the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General—make the final appointment.

Individuals wishing to be added to the registry should submit a resume by addressing it before December 19, 2008 to:

Ms. Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
441 G Street NW, Mailstop 6K17V, Washington, DC 20548

or

ersab@fasab.gov.
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.)

Concepts Projects

Federal Entity

Staff continued to analyze responses received on the Survey on Boundaries of the Federal Reporting Entities and the Federally Funded Research and Development Centers (FFRDC) Survey. Staff summarized the results of the surveys for consideration by the Federal Entity Task Force. The Federal Entity Task Force will meet on September 17, 2008 to discuss the results and next steps in the project. Staff will brief the Board at the next Board meeting.

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


At the August 2008 meeting, the FASAB discussed comments received in response to the exposure draft (ED) Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information. The ED proposed amendments to SFFAC 2, Entity and Display, that provide concepts for guiding the Board in distinguishing basic information, required supplementary information, and other accompanying information. While respondents generally agreed with the proposed conceptual guidance, some indicated a need to clarify some of the factors for distinguishing basic information and RSI.

During the meeting, the FASAB discussed the staff’s recommendations for a final draft concepts statement in light of the responses to the ED. The Board discussed language to clarify some of the factors and provided comments to staff. Staff will incorporate the Board’s comments and present a ballot draft concepts statement at the October 2008 meeting.

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

At the August Board meeting, the members reviewed a preballot draft exposure draft (ED) *Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government*, and discussed a proposal from one of the members that the ED should include proposed reporting requirements regarding foreign holdings of U.S. Treasury debt. The Board declined to propose a reporting requirement but agreed that the issue should be discussed in the Basis for Conclusions of the ED and that the Questions for Respondents should include a question designed to elicit public comment on the issue of foreign holdings of U.S. Treasury debt.

Subsequent to the August meeting, the Board voted to approve the ED, which was issued on September 2, 2008. Comments are requested by January 5, 2009. A public hearing will be held on February 25, 2009 in conjunction with the February 2009 Board meeting.

Since the objective of the proposed reporting is not only to provide information that is useful and necessary in assessing fiscal sustainability but also to effectively communicate the information in a way that is meaningful and understandable to readers, FASAB is particularly interested in receiving comments from the general public.

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

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**Natural Resources**

Representatives from the Department of Interior have been invited to the October 2008 board meeting to discuss issues raised by Interior in its comment letter on the May 2007 exposure draft and related field test questionnaires.

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

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**Reporting the Gains and Losses from Changes in Assumptions and Other Requirements for Accounting for Post-Employment Benefits**

The Board has completed its deliberation on this statement. The statement was approved for issuance by all members of the Board in June 2008 and submitted to the sponsors and the Director of the Congressional Budget Office on July 16, 2008 for the sponsors’ 90-day review period. The Board is planning to release this statement, numbered Statement of Federal Financial Accounting Standards 33, as a final statement October 14, 2008, effective for fiscal years beginning after September 30, 2009.

**Point of Contact:** Richard Fontenrose, 202-512-7358, fontenroser@fasab.gov
Social Insurance

At its August 2008 meeting, the Board voted for the closed group measure to be the focus of new social insurance information to be proposed in an exposure draft coming soon. The measure will be highlighted in the management’s discussion and analysis (MD&A), along with other key measures from the entity’s financial statements; it will be reported separately on the balance sheet below assets, liabilities, and net position and not part of the totals for those categories; it will be a line item in a proposed new summary section of the statement of social insurance (SOSI); and, it will be the subject of a proposed new “statement of changes in social insurance amounts.” The SOSI will display both the closed and open group measures.

In addition, the Board voted in favor of focusing on Statement of Federal Financial Accounting Standards (SFFAS) 17, Accounting for Social Insurance, for the proposed standard. SFFAS 17 will be amended to require the additional information, from social insurance entities only, including an analysis of key financial statement amounts in the MD&A. SFFAS 15, Management's Discussion and Analysis, will not be amended to apply the social insurance MD&A requirements generally to other federal entities.

With respect to the upcoming exposure draft, the Board decided to add questions for respondents about the relative merits of the closed and open group measures, and about sensitivity analysis.

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

Appropriate Source of GAAP

The Appropriate Source of GAAP project was elevated to the number one priority new project by the board at its August agenda-setting session. Staff will begin more in-depth research into the differences between FASAB and FASB GAAP as reported by federal entities. This research will be used to determine if additional reporting should be required of federal entities that are currently applying FASB accounting principles.

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

General PP&E Valuation

At the August 20, 2008 meeting, staff presented a revised draft exposure draft (ED) to the Board. The ED proposes amendments to SFFAS 6 and 23 to provide guidance for (1) estimating the original transaction data historical cost and accumulated depreciation of G-PP&E upon initial capitalization and (2) estimating the historical cost of existing G-PP&E. The revised draft included the following changes:

- The phrase “cost effective” should be removed as the parenthetical explanation of “not practical” as it relates to entities using reasonable estimates to valuing the historical cost of G-PP&E. Both “cost effective” and “inadequate documentation” should be better explained in the standard so that the phrases are not subjective.

- The ED basis for conclusions should include a discussion on the Board’s reasons for including Q3 in the ED. [Q3. Do you believe that allowing the use of reasonable
estimates to value existing G-PP&E assets should be open-ended or subject to a
definitive end date (date-certain)? Please explain your preference.
One member submitted an alternative view that will be included in the basis for conclusions
along with a question in the questions to respondents related to the alternative view. The
alternative view disagrees with the open-ended time period allowed for the use of reasonable
estimates and the lack of objective basis upon which to compare the estimates made by an
agency.

The Board agreed to remove the terms “not practical”, “not cost effective”, or any other
qualifiers to define when estimates can be used in place of historical cost transaction data and
that a date-certain not be imposed.

Point of Contact: Monica Valentine, 202-512-7362, ValentineM@fasab.gov
# FASAB Current Technical Agenda and Status of Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Key Milestones</th>
<th>Quarter 3 2008</th>
<th>Quarter 4 2008</th>
<th>Quarter 1 2009</th>
<th>Quarter 2 2009</th>
<th>Staff Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources</td>
<td>ED – May 2007</td>
<td>Oil &amp; Gas DP</td>
<td>Oil &amp; Gas DP</td>
<td>Oil &amp; Gas DP</td>
<td>UR</td>
<td>Julia Ranagan, 202-512-7377</td>
</tr>
<tr>
<td>Fiduciary Activity</td>
<td>SFFAS 31</td>
<td>Develop Q&amp;As</td>
<td>Implementation Guidance Finalized</td>
<td></td>
<td></td>
<td>Eileen Parlow, 202-512-7356</td>
</tr>
<tr>
<td>Fiscal Sustainability</td>
<td></td>
<td>ED DP</td>
<td>DP</td>
<td>DP</td>
<td>UR</td>
<td>Eileen Parlow, 202-512-7356</td>
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<td>The Federal Entity</td>
<td>Research</td>
<td>Research</td>
<td>Research</td>
<td>ED</td>
<td></td>
<td>Melissa Loughan, 202-512-5976</td>
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<tr>
<td>Social Insurance Liabilities</td>
<td>PV -- October 2006</td>
<td>DP ED</td>
<td>DP</td>
<td>DP</td>
<td></td>
<td>Richard Fontenrose, 202-512-7358</td>
</tr>
<tr>
<td>Reporting Gains &amp; Losses from Changes in Assumptions</td>
<td>ED – August 2007</td>
<td>UR Final</td>
<td></td>
<td></td>
<td></td>
<td>Richard Fontenrose, 202-512-7358</td>
</tr>
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<td>Research</td>
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<td>Research</td>
<td></td>
<td>Julia Ranagan, 202-512-7377</td>
</tr>
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<td>Research</td>
<td>ED DP</td>
<td>Final</td>
<td></td>
<td>Monica Valentine, 202-512-7362</td>
<td></td>
</tr>
</tbody>
</table>

## Conceptual Framework Project:

<table>
<thead>
<tr>
<th>Measurement Attributes</th>
<th>Research</th>
<th>Research</th>
<th>Research</th>
<th>Research</th>
<th>Penny Wardlow, 202-512-7350</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Reporting Communications Methods</td>
<td>DP</td>
<td>DP</td>
<td>UR</td>
<td></td>
<td>Ross Simms, 202-512-2512</td>
</tr>
</tbody>
</table>

### 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

The July 17th scheduled meeting of the AAPC was canceled. However, the AAPC G-PP&E task force is continuing its work.

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 2008 Meetings:

Wednesday, October 22\textsuperscript{nd} and Thursday, October 23\textsuperscript{rd}
Wednesday, December 17\textsuperscript{th} and Thursday, December 18\textsuperscript{th}

Schedule for 2009 Meetings:

Wednesday, February 25\textsuperscript{th} and Thursday, February 26\textsuperscript{th}
Wednesday, April 22\textsuperscript{nd} and Thursday, April 23\textsuperscript{rd}
Wednesday, June 17\textsuperscript{th} and Thursday, June 18\textsuperscript{th}
Wednesday, August 26\textsuperscript{th} and Thursday, August 27\textsuperscript{th}
Wednesday, October 21\textsuperscript{st} and Thursday, October 22\textsuperscript{nd}
Wednesday, December 16\textsuperscript{th} and Thursday, December 17\textsuperscript{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 approximately one week before the meetings.

AAPC Meeting Schedule

Schedule for 2008 Meetings:

Thursday, September 18\textsuperscript{th}
Thursday, November 20\textsuperscript{th}

Schedule for 2009 Meetings:

Thursday, January 15\textsuperscript{th}
Thursday, March 19\textsuperscript{th}
Thursday, May 21\textsuperscript{st}
Thursday, July 16\textsuperscript{th}
Thursday, September 17\textsuperscript{th}
Thursday, November 19\textsuperscript{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 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.