

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB ISSUES STATEMENT OF FEDERAL FINANCIAL ACCOUNTING TECHNICAL RELEASE 8 Clarification of Standard Relating to Inter-Entity Costs and TECHNICAL RELEASE 9 Implementation Guide for Statement of FASAB 29: Heritage Assets and Stewardship Land

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB has issued Statement of Federal Financial Accounting Technical Release 8 Clarification of Standard Relating to Inter-Entity Costs and Technical Release 9 Implementation Guide for Statement of FASAB 29: Heritage Assets and Stewardship Land.

The purpose of Technical Release (TR) 8 is to provide guidance to federal entities on three aspects of full costing specified in SFFAS 4: (1) guidance on costs that should be considered Broad and General for all entities, (2) guidance on *Directness of Relationship to the entity's operations* as used in determining if a transaction should be considered material to the receiving entity, and (3) guidance on *Identifiability* as used in determining if a transaction should be considered material to the receiving entity.

The purpose of Technical Release (TR) 9 is to assist federal entities in reporting information on heritage assets (HA) and stewardship land (SL) in accordance with SFFAS 29 *Heritage Assets and Stewardship Land*. The technical release covers the following four areas:

- *Materiality Considerations* describes an approach for considering materiality that is common to entities as they apply the materiality concept to HA/SL. It includes qualitative factors to consider in making materiality judgments about HA/SL.
- *Identification, Categorization, and Quantification* discusses issues related to identifying HA/SL and describes how the standard allows entities "flexibility" in determining the format and level of detail to report relevant and reliable information in note disclosures. It also explores factors affecting the level of detail such as management's selection of categories for reporting and choice of physical units within categories, as portrayed in various examples. In addition, a discussion of supporting documentation is included.

- *Assessing and Reporting Condition* discusses approaches for meeting condition reporting requirements for HA/SL. This section provides guidance for identifying criteria to assess condition, discusses sources of information to support reporting, and provides examples of reporting condition.
- *Government-Wide Reporting* discusses the balance sheet note reference and a note disclosure of HA/SL information in the U.S. Government-wide financial statement.

These technical releases supplement the relevant federal accounting standards, but are not a substitute for and do not take precedence over the accounting standards issued by FASAB.

The technical releases are available on the FASAB web site at <http://fasab.gov/aapc/technicl.html>. Printed copies can be obtained from FASAB by calling 202-512-7350.

ABOUT FASAB

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources. The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more on FASAB, please visit our website: www.fasab.gov.