



*FASAB News*  
*Federal Accounting Standards*  
*Advisory Board*

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**December 2012/January 2013**  
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**2012 Handbook of Federal Accounting**  
**Standards and Other Pronouncements, as**  
**Amended**

The FASAB Handbook is updated each year to include newly issued pronouncements and amendments to previously issued pronouncements as of June 30th. Issuance of the Handbook was delayed due to adoption of a new format. The new format provides a full-page view of the text to facilitate on-line use. The Handbook is available at [www.fasab.gov](http://www.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.)

## **Disclaimer**

The staff of the Federal Accounting Standards Advisory Board publishes FASAB News 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 Board decisions are 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 Melissa Loughan, 202-512-5976, [loughanm@fasab.gov](mailto:loughanm@fasab.gov).

Please direct AAPC technical questions to Monica Valentine, 202-512-7362, [valentinem@fasab.gov](mailto:valentinem@fasab.gov).

Please direct FASAB and AAPC administrative questions to Charles Jackson, 202-512-7352, [jacksoncw1@fasab.gov](mailto:jacksoncw1@fasab.gov).

## Federal Reporting Entity

Prior to the December meeting, members were provided with a complete *Reporting Entity* exposure draft for approval. Members are permitted to add alternative views to an exposure draft and two alternative views were supported by five board members. The support for these views was discussed at the December meeting to determine what, if any, changes should be incorporated in the proposal.

The first alternative view proposed requiring certain disclosures regarding the Federal Reserve System. After the discussion, the Board agreed to include minimum disclosure requirements regarding the Federal Reserve and directed staff to draft the requirements. The Board also agreed to develop Questions for Respondents regarding whether the attributes used to classify an entity as a consolidation or disclosure entity are sufficient to make a determination for a central bank (the Federal Reserve System) or other significant entities.

The second alternative view proposed excluding “Receiverships, Conservatorships, Intervention Entities” from consideration as consolidation or disclosure entities. Some members supporting the alternative view were concerned entities temporarily owned or controlled by the federal government may be viewed as “federal entities” if they are included. After

discussion, the Board agreed that staff would review the document and revise wording to clarify that the reporting entity is made up of consolidation entities. In addition, editorial changes to avoid unintended inferences will be considered.

Staff will have a revised Exposure Draft at the February 2013 meeting with the draft changes. If the changes are agreed upon at the meeting, a vote may occur after the meeting.

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

## [The Financial Report: MD&A, Statements, Notes, RSI and OAI](#)

During the December 2012 meeting, the Board discussed whether to revisit Statement of Federal Financial Accounting Standard (SFFAS) 4, *Managerial Cost Accounting Standards and Concepts*, and the complexities involved in reporting cost and performance information. The Board's task forces on cost, budget, and performance information recommended revisiting SFFAS 4 to help provide the information that users expect and help the federal government better manage its costs. Members noted that the recommended project is broad and involves matters that are not exclusively within FASAB's purview. Also, coordination with the Office of Management and Budget (OMB), Department of the Treasury (Treasury), and possibly the Government Accountability Office (GAO) would be fundamental to any cost accounting effort the Board decides to initiate. Consequently, for the February 2013 meeting, staff will discuss the key issue(s) and, given the role of FASAB, the issue(s) the Board should address and the scope of a project that could be completed within a reasonable time period.

Also, the Board discussed the merits of an online educational tool for users and staff will begin its development. In addition, the Board plans to discuss recommendations to streamline reporting requirements. It was noted that streamlining reporting requirements involve auditing and other issues that are beyond FASAB's role.

Point of Contact: Ross Simms, 202-512-2512, [simmsr@fasab.gov](mailto:simmsr@fasab.gov)

## [Deferred Maintenance and Repairs & Asset Impairment](#)

On January 3, 2013, the Chairman, Tom Allen, announced that the FASAB issued Statement of Federal Financial Accounting Standards (SFFAS) 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*.

SFFAS 44 will require entities to report the effects of general property, plant, and equipment (G-PP&E) impairments in their financial statements. This will enable users of financial statements to discern the cost of impairments when they occur, the financial impact on the reporting entity, and the cost of services provided following the impairment. The new standards will also enhance comparability of financial statements between entities by requiring all entities to account for impairments in a similar manner beginning in fiscal year 2015. Because the standards do not require departments or agencies to specifically search for impaired assets and accordingly, any administrative burdens are expected to be negligible.

"The Board considered carefully the work of other public sector accounting standards-setters and the input of experts from the government and private sector. The resulting standards are intended to focus attention on significant impairments so that needed financial information is provided without undue effort," noted Chairman Allen.

The Statement is available at <http://www.fasab.gov/codifica.html>.

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

## Leases

The Lease Project was not discussed at the December Board meeting. Staff is continuing preliminary research on the project by following the developments of the FASB/IASB lease project and gathering information from federal entities on their leasing activities.

Point of Contact: Monica Valentine, 202-512-7362, [valentinem@fasab.gov](mailto:valentinem@fasab.gov)

## Risk Assumed

Staff is continuing to research options for addressing the inconsistent and duplicative reporting on the risks assumed by insurance and guarantee programs to present to the board at a future meeting at which time members will decide whether to (1) issue a separate exposure draft on insurance and guarantees, or (2) hold out for a more comprehensive standard on all significant future outflows of the federal government.

Point of Contact: Julia Ranagan, 202-512-7377, [ranaganj@fasab.gov](mailto:ranaganj@fasab.gov)

## Public-Private Partnerships (P3)

A draft project plan and questions regarding the scope of the project were discussed at the December meeting. Members did not object to expanding the project scope beyond service concession arrangements. However, they noted that (1) the complexities involved may necessitate us to later re-focus to a more narrow scope, (2) we should look to establish uniform principles-based guidance to enhance comparability among agencies, (3) gaps in existing guidance should be highlighted, and (4) we should avoid duplicating guidance and standards-overload.

The Board briefly discussed the matter of whether to issue technical guidance to aid preparers and users or a separate set of P3 standards. Much will depend upon whether there are significant gaps in current guidance. Regardless of the form that the final deliverable may take, the Board was clear that forthcoming guidance must be consistently applied and grounded or covered by an overarching principle(s).

We are seeking volunteers at this time and if you or someone you know would like to join our task force, please notify the staff person identified below.

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

# FASAB Current Technical Agenda and Status of Projects

Project	Key Milestones	Quarter 4 CY2012	Quarter 1 CY2013	Quarter 2 CY2013	Quarter 3 CY2013	Staff Contact
<b>The Reporting Entity</b>		Research		ED	DP and PH	Melissa Loughan (202-512-5976)
<b>Risk Assumed</b>		Research	Research	Research	ED	Julia Ranagan (202-512-7377), Ross Simms (202-512-2512), Monica Valentine (202-512-7362)
<b>Investments and Other Equity Interests in Non-Federal Entities</b>		Deferred				Wendy Payne (202-512-7357)
<b>Leases</b>		Research	Research	Research	Research	Monica Valentine (202-512-7362)
<b>Financial Reporting Model</b>		Research	Research	Research	Research	Ross Simms (202-512-2512)
<b>Public Private Partnerships</b>			Research	Research	Research	Dominic Savini (202 512 6841)

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 AAPC Chair, Ms. Payne, welcomed four new members to the AAPC – Mr. Steven Zane and Mr. Jon Rymer, representing the Inspector General (IG) community; Ms. Christina Ho, representing Treasury; and Ms. Phyllis Anderson, representing GAO.

The Committee discussed a working draft of Technical Release -- *Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment, and Allocation*. The issue of cost accounting for G-PP&E was first brought to the AAPC in late 2010 when a subgroup was formed under the G-PP&E task force lead by Ms. Gilmore. The subgroup, headed by Ms. Sandy VanBooven, has been working with FASAB Staff to develop the implementation guidance.

FASAB Staff will work with Ms. VanBooven and the subgroup to make the necessary edits to the draft possibly in time for a pre-ballot review at the January 17<sup>th</sup> AAPC meeting.

Point of Contact: Monica Valentine, 202-512-7362, [valentinem@fasab.gov](mailto:valentinem@fasab.gov)

## FASAB Meeting Schedule

### Schedule for 2013 Meetings:

Wednesday and Thursday, February 27<sup>th</sup> and 28<sup>th</sup>  
Wednesday and Thursday, April 24<sup>th</sup> and 25<sup>th</sup>  
Wednesday and Thursday, June 19<sup>th</sup> and 20<sup>th</sup>  
Wednesday and Thursday, August 28<sup>th</sup> and 29<sup>th</sup>  
Wednesday and Thursday, October 23<sup>rd</sup> and 24<sup>th</sup>  
Wednesday and Thursday, December 18<sup>th</sup> and 19<sup>th</sup>

Unless otherwise noted, FASAB meetings begin at 9 AM and conclude before 5 PM. Meetings are held at 441 G Street NW in room 7C13. Agendas and briefing materials are available at <http://www.fasab.gov/board-activities/meeting/briefing-materials/> approximately one week before the meetings.

## AAPC Meeting Schedule

### Schedule for 2013 Meetings:

Thursday, January 17  
Thursday, March 21  
Thursday, May 16  
Thursday, July 18  
Thursday, September 19  
Thursday, November 21

Unless otherwise noted, AAPC 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://www.fasab.gov/about/aapc/meetings/> approximately one week before the meetings.

## Security Notice

If you wish to attend a FASAB or an AAPC meeting, please [pre-register](#) on our Web site at <http://www.fasab.gov/board-activities/meeting/information-for-observers/pre-registration/> **no later than 8 a.m. the Tuesday before the meeting to be observed.** The Government Accountability Office (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. Thank you.