

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

Wendy M. Comes
(202) 512-7350
comesw@fasab.gov

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NEWS RELEASE

FASAB to Operate under a Revised Memorandum of Understanding among its Sponsors

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), David Mosso, announced today that the Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States have amended the Memorandum of Understanding (MOU) governing FASAB. The amendment provides the sponsors an option to extend the current 90-day review period applicable to proposed Statements of Federal Financial Accounting Standards or Concepts (Statements) for 90 additional days. The option is only available once for each proposed Statement.

The prior MOU afforded the sponsors a 90-day period to consider each proposed Statement submitted by the Board. If, prior to the end of the 90-day period, either the Director of OMB or the Comptroller General objected to the proposed Statement it would not be issued. Absent an objection, the proposed Statement would be issued immediately after the review period. Under the revised MOU, the newly created option to extend the review period could be used to address unanticipated circumstances.

The amendment was initiated in response to unprecedented circumstances. Two of the three Board sponsors were appointed only recently – the Secretary of the Treasury and the Director of OMB. In addition, a 90-day review period will conclude on July 25th and creates a need for an immediate decision on a previously submitted Statement of the Board. In addition, the OMB Board member, who also is newly appointed, did not participate in the development of the proposed Statement and wishes to resolve certain concerns prior to acting on it.

“In light of the highly unusual circumstances regarding the timing of this Statement – almost coincident with the appointment of two new sponsors - and the complexity of the issues at hand, the MOU amendment is a prudent step. It affords everyone involved the opportunity to address concerns that normally would have been resolved during the review period.” according to Chairman Mosso.

ABOUT FASAB

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

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.

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