

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

August 4, 2010

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NEWS RELEASE

FASAB Issues Standard on Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statements on Auditing Standards

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB issued Statement of Federal Financial Accounting Standards (SFFAS) 39, *Subsequent Events: Codification of Accounting and Financial Reporting Standards Contained in the AICPA Statements on Auditing Standards*. The American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards (SAS) AU section 560, Subsequent Events, includes accounting and financial reporting guidance that is not discussed in the authoritative literature that establishes accounting principles. The objective of SFFAS 39 is to incorporate that guidance into the authoritative literature of the FASAB. "Incorporating authoritative accounting and financial reporting literature into a single source would more clearly convey the requirements for reporting subsequent events and better enable entities to prepare basic information and required supplementary information (RSI) in conformity with generally accepted accounting principles (GAAP)," according to Chairman Allen.

Events or transactions that affect the basic information or RSI may occur subsequent to the end of the reporting period but before the financial report is issued. Some of those transactions and events require adjustments to the basic information or RSI while others may require disclosure in the basic information or RSI. SFFAS 39 addresses the circumstances that may require adjustments or disclosure.

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