

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

Eileen Parlow
(202) 512-7356
parlowe@fasab.gov

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NEWS RELEASE

FASAB Issues Statement of Federal Financial Accounting Standards 43, *Dedicated Collections: Amending SFFAS 27, "Identifying and Reporting Earmarked Funds"*

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 43, *Dedicated Collections: Amending SFFAS 27, "Identifying and Reporting Earmarked Funds."*

"SFFAS 43 will result in improved reporting on dedicated collections (that is, collections for a specific purpose, such as Social Security taxes and Medicare premiums) by using more understandable terminology and by excluding funds that were not intended to be included in this category. SFFAS 43 will also reduce the reporting burden on financial statement preparers by permitting combined rather than consolidated reporting on this category of funds," according to Chairman Allen.

This Statement amends SFFAS 27, *Identifying and Reporting Earmarked Funds*, by:

- changing the term "earmarked funds" to "funds from dedicated collections."
- modifying the definition of a fund from dedicated collections by:
 - clarifying that at least one source of funds external to the federal government must exist for a fund to qualify as a fund from dedicated collections, and
 - adding an explicit exclusion for any fund established to account for pensions, other retirement benefits, other postemployment, or other benefits provided for federal employees (civilian and military).
- permitting either consolidated or combined data on funds from dedicated collections to be provided.
- permitting certain component entities to report on funds from dedicated collections for amounts related to the statement of changes in net position in a note rather than on the face of the statement.

The full text of SFFAS 43 can be found on the FASAB website at:
<http://www.fasab.gov/accounting-standards/authoritative-source-of-gaap/accounting-standards/fasab-handbook/>

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.