

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

July 30, 2021

Domenic N. Savini
(202) 512-6841
savinid@fasab.gov

NEWS RELEASE

FASAB Issues Statement of Federal Financial Accounting Standards 59, *Accounting and Reporting of Government Land*

The chair of the Federal Accounting Standards Advisory Board (FASAB), George A. Scott, announced today that the Board has issued Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*.

To ensure consistent accounting treatment and reporting for land holdings while considering user information needs, the Statement (1) requires reclassifying general property, plant, and equipment (G-PP&E) land as a non-capitalized asset, (2) clarifies the definition for the stewardship land (SL) category, (3) requires the reporting of G-PP&E land and SL using three predominant use sub-categories: conservation and preservation land; operational land; and commercial use land, and (4) requires consistent and comparable disclosures of information for land (that is, reporting estimated acres of land, estimated acres of land held-for-disposal or exchange, and predominant land use).

“The Board believes that these requirements address concerns that the Stewardship and Operating Performance reporting objectives and qualitative characteristics such as relevance and comparability are not being met. Balancing preparer concerns and user needs, the Board agreed to adopt a transitional approach wherein the changes will initially be presented as Required Supplementary Information (RSI) before transitioning to disclosures,” according to Chairman Scott.

“After receiving additional feedback from the preparer community and considering the impact of the COVID-19 pandemic on agencies’ ability to implement this Statement, the Board recognized that additional implementation time was needed. Accordingly, the Board delayed the Statement’s effective date by one year and allowed information to be presented as RSI for fiscal years 2022 through 2025. In fiscal year 2026, RSI will transition to note disclosures along with the removal of G-PP&E land and permanent land rights from the balance sheet. The Board believes that the extension and four-year transition period should allow adequate time to identify and address implementation challenges, including any cost-benefit considerations, while it is reported as RSI,” he added.

ABOUT FASAB

FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness and (2) the economic, political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

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.