

# Federal Accounting Standards Advisory Board

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## NEWS RELEASE

### **FASAB PUBLISHES REVISED EXPOSURE DRAFT OF A NEW STATEMENT OF FEDERAL FINANCIAL ACCOUNTING STANDARDS ENTITLED *ACCOUNTING FOR FIDUCIARY ACTIVITIES***

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), David Mosso, announced today that the FASAB has issued a revised exposure draft of a proposed standard that defines and establishes reporting requirements for fiduciary activities of the Federal Government. The revisions were made in response to a number of issues raised by respondents to the April 2003 exposure draft on the same topic.

In a "fiduciary activity," as defined in the proposed standard, a Federal entity collects or receives and subsequently manages, protects, accounts for, invests, and/or disposes of cash or other assets in which non-Federal individuals or entities have an ownership interest that the Federal Government must uphold.

The proposed Exposure Draft would enhance reporting on fiduciary activities by clarifying the definition of fiduciary activities, reducing the number of acceptable approaches to accounting for these activities, and ensuring adequate disclosure in notes to the financial statements. The proposed disclosure requirements would result in federal component entities presenting comprehensive information about the composition of fiduciary net assets and changes in fiduciary net assets.

In addition to the proposed standards, the exposure draft seeks comment on two alternative views. One member does not believe the proposed disclosures for the consolidated financial report of the United States Government are sufficient. Another member believes that a basic financial statement is the appropriate mechanism to use in reporting on fiduciary activity.

The exposure draft request comments by August 30, 2005. A public hearing has been scheduled for August 17, 2005. If adopted, the proposed standard would be effective for periods beginning after September 30, 2006. Copies of the exposure draft are available at the FASAB website (<http://www.fasab.gov/exposure.htm>).

## **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](http://www.fasab.gov).