

**FIRST AMENDMENT
TO
MEMORANDUM OF UNDERSTANDING
AMONG
THE GOVERNMENT ACCOUNTABILITY OFFICE,
THE DEPARTMENT OF THE TREASURY, AND
THE OFFICE OF MANAGEMENT AND BUDGET
ON
FEDERAL GOVERNMENT ACCOUNTING STANDARDS AND
A FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD**

WHEREAS, the Government Accountability Office (“GAO”), the Department of the Treasury (“Treasury”), and the Office of Management and Budget (“OMB”) have previously entered into a Memorandum of Understanding (“MOU”) dated May 7, 2003, establishing the procedures to be followed in setting Federal Government accounting standards and a Federal Accounting Standards Advisory Board; and

WHEREAS, GAO, Treasury, and OMB now desire to amend the provision of the MOU relating to the review time for Federal Accounting Standards Advisory Board proposed concepts and standards to allow for extensions of such review time; and

WHEREAS, GAO, Treasury, and OMB are willing to enter into this First Amendment to Memorandum of Understanding (“this First Amendment”) to allow for extensions of the review time.

NOW, THEREFORE, GAO, Treasury, and OMB agree as follows:

1. **Definitions.**

Capitalized terms used and not defined in this First Amendment shall have the respective meanings given such terms in the MOU.

2. **Modification to Paragraph on Review Time for Federal Accounting Standards Advisory Board Proposed Concepts and Standards.**

The second paragraph of Section 4 of the MOU specifying the review time for Federal Accounting Standards Advisory Board proposed concepts and standards is hereby amended to read as follows:

“When the Board has developed a proposed concept or standard, the Board shall submit it to the Comptroller General, the Director of OMB, the Secretary of the Treasury and the Director of CBO for their review. If, within 90 days after its submission, the Comptroller General or the Director of OMB, or both, objects to the concept or standard, then it shall not be issued and will be returned to the Board for further consideration; provided, however, that the

Comptroller General or the Director of OMB, may, in the event that unanticipated circumstances make it difficult for the Comptroller General or the Director of OMB to complete the 90 day review timely, extend the review time for one additional 90 day period. If the Comptroller General or the Director of OMB implements such an extension, they will notify the FASAB Chair. If neither the Comptroller General nor the Director of OMB objects to the concept or standard during the review time provided in this paragraph, including any extension of the review time, then it shall be issued and become a final concept or standard of the Board. Concepts and standards will be announced in *The Federal Register*.”

3. **MOU Remains in Effect.**

Except as modified herein, the MOU shall remain in full force and effect.

4. **Effective Date of this First Amendment.**

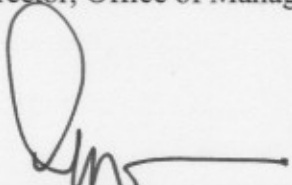
This First Amendment shall not become effective until it has been executed by all of GAO, Treasury, and OMB. When the First Amendment has been so executed, it shall become effective as of the date of the last signature.

Henry M. Paulson, Jr.
Secretary of the Treasury

(date)

Rob Portman
Director, Office of Management and Budget

(date)



David M. Walker
Comptroller General of the United States

7/20/06
(date)

Comptroller General or the Director of OMB, may, in the event that unanticipated circumstances make it difficult for the Comptroller General or the Director of OMB to complete the 90 day review timely, extend the review time for one additional 90 day period. If the Comptroller General or the Director of OMB implements such an extension, they will notify the FASAB Chair. If neither the Comptroller General nor the Director of OMB objects to the concept or standard during the review time provided in this paragraph, including any extension of the review time, then it shall be issued and become a final concept or standard of the Board. Concepts and standards will be announced in *The Federal Register*.”

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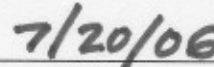
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Henry M. Paulson, Jr.
Secretary of the Treasury

(date)



Rob Portman
Director, Office of Management and Budget



(date)

David M. Walker
Comptroller General of the United States

(date)

Proposed Amendment to Memorandum of Understanding on the
Federal Accounting Standards Advisory Board (FASAB)

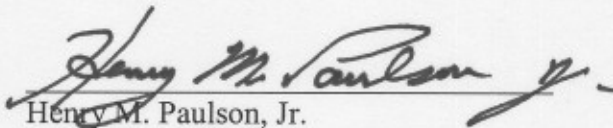
Comptroller General or the Director of OMB, or both, objects to the concept or standard, then it shall not be issued and will be returned to the Board for further consideration; provided, however, that the Comptroller General or the Director of OMB, may, in the event that unanticipated circumstances make it difficult for the Comptroller General or the Director of OMB to complete the 90 day review timely, extend the review time for one additional 90 day period. If the Comptroller General or the Director of OMB implements such an extension, they will notify the FASAB Chair. If neither the Comptroller General nor the Director of OMB objects to the concept or standard during the review time provided in this paragraph, including any extension of the review time, then it shall be issued and become a final concept or standard of the Board. Concepts and standards will be announced in *The Federal Register*.”

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Henry M. Paulson, Jr.
Secretary of the Treasury

7/29/06
(date)

Rob Portman
Director, Office of Management and Budget

(date)

David M. Walker
Comptroller General of the United States

(date)