

**FEDERAL ACCOUNTING STANDARDS
ADVISORY BOARD**

RULES OF PROCEDURE

UPDATED APRIL 2004

TABLE OF CONTENTS

RULES OF PROCEDURE	3
INTRODUCTION	3
GENERAL PROCEDURES	4
1. IDENTIFY ACCOUNTING ISSUES AND DECIDE ON AGENDA ITEMS	4
2. CONDUCT PRELIMINARY DELIBERATIONS	5
3. PREPARE INITIAL DOCUMENTS	6
4. RELEASE PRELIMINARY DOCUMENTS AND CONDUCT PUBLIC HEARINGS	6
5. CONDUCT FURTHER DELIBERATIONS, RELEASE EXPOSURE DRAFT, AND CONSIDER COMMENTS	7
6. VOTE	9
ISSUANCE OF FINAL PRONOUNCEMENTS	10
APPENDIX A: RESOURCES	11
THE CHAIRPERSON	11
STAFF DIRECTOR	11
ADMINISTRATIVE STEERING COMMITTEE	12
TECHNICAL STAFF	12
TASK FORCES	13
RESEARCHERS FOR PRE-AGENDA ITEMS	13
APPENDIX B: NOTICES, MEETINGS, AND PUBLIC HEARINGS	15
NOTICES	15
MEETINGS	17
PUBLIC HEARINGS	18
APPENDIX C: PUBLICATIONS	21
INTRODUCTION	21
EXPOSURE DRAFTS	23
FINAL PRONOUNCEMENTS	25
STATEMENTS OF FEDERAL FINANCIAL ACCOUNTING STANDARDS	26
INTERPRETATIONS	27
STATEMENTS OF FEDERAL FINANCIAL ACCOUNTING CONCEPTS	27
TECHNICAL RELEASES	28
TECHNICAL BULLETINS	28
OTHER COMMUNICATIONS	29
AVAILABILITY OF PUBLICATIONS	29

RULES OF PROCEDURE

AMENDED AND RESTATED THROUGH DECEMBER 2003

INTRODUCTION

The Federal Accounting Standards Advisory Board (FASAB, "the Board") was created under the terms of the Federal Advisory Committee Act (FACA), as amended, (5 U.S.C. app.) and is sponsored by the Comptroller General of the United States, the Director of the Office of Management and Budget (OMB), and the Secretary of the Treasury of the United States. The FASAB considers and promulgates accounting concepts and standards for the federal government.

The Sponsors established the Board by Memorandum of Understanding (MOU) dated October 10, 1990, and have amended the MOU periodically since then. The MOU addresses:

1. the fundamental purpose of the Board,
2. Board composition,
3. member selection and appointment process,
4. tenure of members,
5. duties of the Board,
6. administrative guidelines and management controls, and
7. a six-step process for considering accounting standards.

The MOU's six-step process is:

1. Identification of accounting issues and agenda decisions,
2. Preliminary deliberations,
3. Preparation of initial documents (issues papers and/or discussion memorandums),
4. Release of documents to the public, public hearings, and considerations of comments,
5. Further deliberations, exposure draft, and consideration of comments, and
6. General consensus (at least a majority vote)¹ reached among Board members and documents submitted to the Comptroller General, the Secretary of the Treasury, the Director of OMB, and the Director of the Congressional Budget Office (CBO).

The MOU provides that the Board will determine the detailed procedures necessary to implement this six-step process. This document describes the Board's

¹ The MOU provides a general framework for Board consensus. The rules adopted in this document present the specific requirements for approval or publication of a variety of documents. Where voting requirements are governed by a document other than these rules a reference to that requirement is provided and a summary of the requirements is presented.

detailed rules of procedure and incorporates by reference specific provisions of the FACA. These rules of procedure were adopted by the Board pursuant to the directive in the MOU and approved by the Board's Steering Committee.

These rules of procedure are intended to permit timely, thorough, and open study of federal accounting issues and encourage public participation in the process of improving federal accounting concepts and standards. Open study assures that federal accounting concepts and standards are well-considered and designed to advance the public interest. Individuals and organizations are invited to make their views known to the FASAB through thoughtful, reasoned, and timely communication at all stages in the FASAB's processes.

GENERAL PROCEDURES

The general procedures used by the Board during this process are described in the sections that follow. In addition, greater detail is provided in Appendices. Appendix A, *Resources*, describes the roles of the Chairperson, the Staff Director (i.e., Executive Director), the staff, task forces, the Administrative Steering Committee, and fellows. Appendix B, *Notices, Meetings, and Public Hearings*, describes the requirements for public notices, meetings and hearings; including requirements of the FACA. Note that all meetings, publications and records of FASAB are subject to notice and access requirements of the FACA. These requirements are not separately identified in the general procedures provided below. Appendix C, *Publications*, describes the various types of FASAB publications used, member options for alternative views and dissents, and specific due process requirements followed for each type.

1. IDENTIFY ACCOUNTING ISSUES AND DECIDE ON AGENDA ITEMS

The FASAB consults with the Staff Director to prioritize its potential projects. New projects are added to the active agenda based on periodic prioritization by the Board. The Staff Director ensures that agenda decisions are initiated in advance of staff becoming available to take on new work so that pre-agenda research will be conducted. All agenda decisions are made at meetings of the FASAB by oral polling with agreement of majority of members polled required for approval.

To prepare for the FASAB consultation, the Staff Director solicits timely suggestions from other individuals and organizations. The Staff Director, after consultation with the Chairperson, may publish brief descriptions of potential projects and request input from selected individuals and groups on the potential projects and other emerging issues. In addition, the Chairperson may decide to hold an agenda hearing to discuss potential projects with stakeholders. For information on notice and meeting requirements, see Appendix B.

In addition to agenda setting initiated by FASAB, any individual or organization may request in writing that the FASAB review or reexamine any effective Statement of Federal Financial Accounting Standards, Statement of Federal Financial Accounting Concepts, or other effective provision of federal accounting principles. The FASAB will respond to such communications and explain its disposition of the request.

2. CONDUCT PRELIMINARY DELIBERATIONS

The FASAB deliberates on active agenda items at its meetings. Through the deliberative process, the FASAB ensures that all issues are identified; alternatives for resolving issues are developed, assessed, and ranked; public solicitation of comments is appropriate; and explanations for the final decisions are provided.

During preliminary deliberations, members are asked to express their preferences among alternatives. Based on these expressions of preference as well as members' requests for additional research, progress is made toward preparation of preliminary documents and/or exposure drafts. Initial (unpublished) documents are provided to the Board to facilitate preliminary deliberations.

3. PREPARE INITIAL DOCUMENTS

FASAB deliberations are facilitated by initial (unpublished) documents that provide:

- a) background information including current accounting and reporting practices, relevant federal concepts and standards, laws and regulations, and budgetary information needs or concerns;
- b) summaries of concepts/standards promulgated or being developed by other standard setters in other domains; and/or
- c) an initial listing of options including pros/cons and illustrations where possible.

The Staff Director provides initial documents to members in advance of meetings. Initial documents may be prepared by staff, task forces appointed by the Chairperson, individual members, or other experts and organizations.

4. RELEASE PRELIMINARY DOCUMENTS AND CONDUCT PUBLIC HEARINGS

The FASAB may release preliminary documents related to federal accounting and financial reporting. These documents are preliminary to exposure drafts communicating formal proposals of the Board for public comment. The Board is not required to issue preliminary documents before developing and issuing an exposure draft.

Preliminary documents include, among others, research reports, discussion memorandums, invitations to comment, preliminary views, summary and related documents, responses to requests and inquiries, and statements of policy dealing with matters of federal accounting and financial reporting.

Text of the preliminary documents include (1) attribution, (2) explanation of the nature of the publication, (3) relevant research material, and (4) directions for submitting comments if requested. Preliminary documents may be attributed to (1) the Board, (2) staff, (3) a task force, or (4) others conducting research on behalf of the Board. If documents are attributed to the Board, the Board is expressing its views or identifying alternatives it believes are viable. For documents not attributed to the Board, a disclaimer should be presented in addition to attribution.

In addition to initial documents for the Board's use, task forces or the staff may prepare either research reports or discussion memorandums for publication. Research reports (RR) and discussion memorandums (DM) provide research findings and relevant literature. DMs include alternative solutions to the issues under consideration, present the known implications and arguments regarding each, and request comments. RRs also may include alternative solutions but do not request comments. Task force and staff prepared preliminary documents may be issued upon approval by the Chairperson. The Chairperson confers with the Board prior to deciding whether to issue individual DMs and RRs.

The Board may publish invitations to comment (ITC) or preliminary views (PV). Both ITCs and PVs request comments. ITCs present alternative solutions to issues under consideration. PVs present the Board's preliminary selection of an alternative solution. Summary or other documents related to ITCs or PVs also may be published. ITCs, PVs and related summary or other documents will only be issued after a majority vote of the Board approving the publication. See section 6, *Vote*, for voting requirements.

The Board also may issue responses to requests and inquiries, and statements of policy. The Chairperson may issue these documents under his signature at his discretion. In addition, the Chairperson may delegate this authority to the Staff Director.

For any preliminary documents soliciting comments (e.g., discussion memorandum, invitation to comment, or preliminary views), the Board members receive all comments as well as a staff summary. The staff summary and accompanying analysis address all comments and identify issues requiring consideration.

In addition to considering the written responses, summary, and staff analysis, the Board may elect to hold a public hearing. The public hearing permits the Board and staff to ask questions about information and points of view submitted by respondents. The Board will announce its intent to hold a public hearing consistent with the notice requirements in Appendix B.

5. CONDUCT FURTHER DELIBERATIONS, RELEASE EXPOSURE DRAFT, AND CONSIDER COMMENTS

The Board will continue its deliberations and may (a) receive additional initial documents, (b) prepare other preliminary documents, (c) begin developing an exposure draft, or (d) defer the project. If an exposure draft is developed, it will:

- a) specify what type of final pronouncement (e.g., a statement of federal financial accounting standard, interpretation) is proposed,
- b) request comments by a certain date and provide instructions for submission (see Appendix C, *Publications* for minimum comment periods for different final publications),

- c) list specific questions that the Board wishes respondents to address,
- d) present a summary and complete proposed pronouncement,
- e) propose an effective date, and
- f) explain the basis for the proposed conclusions and present any alternative views expressed by members.

Exposure drafts of statements and interpretations are issued only after a majority vote of the Board. See Appendix C, *Publications*, for content specifications, and due process procedures. See section 6 below for voting requirements.

Following the exposure period, the Board considers responses, decides by oral polling with a majority of the members' approval required to hold a public hearing, and deliberates on issues and options identified by respondents.

The Board may continue its deliberations based on these responses, and any public hearing, and may (a) request and consider additional initial documents, (b) elect to issue another exposure draft (sometimes referred to as re-exposure), (c) defer the project, or (d) proceed with development of a final pronouncement.

If the Board elects to proceed to a final pronouncement, it makes necessary but not substantial revisions to the proposals in the exposure draft and prepares any required content for the final pronouncement. See Appendix C for required content of each type of final pronouncement. Appendix C also provides direction for inclusion of member dissents in final pronouncements.

6. VOTE

The FASAB will not issue any exposure draft or final pronouncement, or other document in which the Board takes a position on accounting issues without the approval of a majority of members casting a vote (that is, members abstaining are not included in determining majority). Generally, publications that do not establish a Board position – Technical Releases of the Accounting and Auditing Policy Committee or Technical Bulletins issued by FASAB staff – are issued if a majority of members do not object.

Following are detailed provisions regarding voting:

- 1) Eligibility to vote. Only the members are eligible to vote; no substitutes may be designated. Unless s/he abstains, a member of the FASAB may vote even if s/he was not a member or for some other reason did not participate during the research, discussion, or deliberative periods. A FASAB member may continue to participate in public hearings and other meetings during the research, discussion, and deliberative periods even though s/he plans to abstain on a particular vote.
- 2) Quorum. A majority of FASAB members serving constitutes a quorum necessary for a meeting to be held.
- 3) Board Approval. The agreement of a majority of FASAB members voting is required to approve all matters. In the case of vacancy, or if disability of any duration or character prevents any member from voting, or in the event that a member disqualifies himself or herself from voting, the approval of a majority of the remaining members of the FASAB voting will be sufficient.
- 4) Ballots.
 - a) Form. Where any action of the FASAB requires a vote of its members, such vote is by written ballot of its members. Ballots may be via electronic means. In this case, the electronic ballots returned by members serve as written ballots.
 - b) Record-keeping. Votes of each Board member regarding the publication of any document shall be retained as part of the public file of the FASAB, including any dissents by individual Board members.
 - c) Timing. The Chairman will poll the Board members on most issues at a meeting of the Board. Members' oral expressions of views constitute a "sense of the Board" but are not votes. Following oral approval at a meeting, the Staff Director will arrange for written ballots to be conveyed to members along with a final draft of the document. Written ballots will indicate a due date for votes. Generally, due dates will afford the members at least 10 working days to consider the ballot. Any member not submitting a vote within four working days after the deadline will be considered to have abstained. The Chairperson may determine that a later or earlier due date is warranted after consulting with the Board members regarding the urgency of the matter and their own availability to address the matter.
- 5) Dissents and Alternative Views. Individual members may offer dissents to any final publication other than an exposure draft and alternative views to any

proposals in an exposure draft. Any dissents shall be published as part of the final pronouncement. Any alternative views will be published as an appendix to the exposure draft and should solicit input from respondents. The minutes and the publications shall include the name of any member who dissents to a Statement, proposes an alternative view, or abstains from voting.

ISSUANCE OF FINAL PRONOUNCEMENTS

Final pronouncements are issued by FASAB only after compliance with the procedures specified in the MOU. For ease of reference, these procedures are summarized in Appendix C, *Publications*. In addition, public notice requirements of the FACA apply.

APPENDIX A: RESOURCES

THE CHAIRPERSON

The head of the FASAB is its Chairperson. Although the Board is responsible for establishing detailed operating procedures, the Chairperson, working with the Staff Director, directs FASAB operations. The Chairperson will:

- a) Preside at meetings and hearings;
- b) Confer with the Sponsors regarding the activities of the FASAB and its progress,
- c) Consult with staff members regarding project plans,
- d) Review the agenda for each meeting,
- e) Request that the Staff Director provide lists of potential projects for consideration by the members of the FASAB as described at page 4,
- f) Issue responses to requests and inquiries, and statements of policy, and
- g) Serve as Chairperson of the Appointments Panel and the Administrative Steering Committee.

The Chairperson may delegate or assign particular functions or duties to the FASAB staff, task forces, and such others as s/he may decide. Following consultation with the Staff Director (or the Director's designee) and the Board, the Chairperson may establish and appoint individuals to FASAB task forces and other committees and groups. The Chairperson or his/her designee will establish operating and administrative procedures for task forces. The Chairperson has authority to approve a research project following consultation with the FASAB's Staff Director.

The Chairperson may invite an organization to name an individual to participate in meetings. The Chairperson will determine the extent of the participation and whether it is ongoing or intermittent except that such participation may not include voting on any matter.

STAFF DIRECTOR

The FASAB's Staff Director shall be the Designated Federal Official (DFO) for purposes of the Federal Advisory Committee Act (FACA), and will work closely with the Chairperson to ensure compliance with FACA and implementing regulations promulgated by the General Services Administration (GSA). The Staff Director, or the Director's designee, in the role of DFO, shall approve the date, time, and place, and the agenda for each Board meeting, and shall attend each meeting. The Staff Director, or his or her designee on the FASAB staff, shall work closely with Treasury and OMB to ensure compliance with 41 C. F. R. §§102-3.115 and 102-3.120 and other applicable FACA requirements.

ADMINISTRATIVE STEERING COMMITTEE

The Administrative Steering Committee (Steering Committee), comprising the GAO, OMB and Treasury Board members, is an interagency operating committee of the Sponsors, and shall be responsible for administrative matters related to the Board's operations. The Staff Director, after consultation with the Chairperson of the FASAB, shall schedule, convene and attend meetings of the Steering Committee. The Chairperson of the FASAB will serve as the Chairperson of the Steering Committee.

The Steering Committee shall approve new hires recommended by the Staff Director, and will supervise the preparation of the annual budget and reimbursement agreement for approval by the Board's Sponsors. Unanimous agreement to the annual budget by the Treasury, OMB and GAO members is required for budget and funding decisions.

The Steering Committee meetings will be announced in the *Federal Register* and will be open to public observation unless privileged or confidential information is being discussed. Privileged or confidential information may include internal personnel rules and practices, trade secrets, and financial information or personal information where disclosure would constitute a clearly unwarranted invasion of personal privacy.

APPOINTMENTS PANEL

The Appointments Panel comprises not more than seven members, to include representatives of the Financial Accounting Foundation, the Accounting Research Association, and the American Institute of Certified Public Accountants as well as the FASAB members who represent Treasury, OMB and GAO. The panel is convened by the FASAB chairperson. The panel advises the Treasury, OMB and GAO on appointments and re-appointments of the six non-federal members. The panel will meet as needed to consider nominations, to identify qualified individuals to be selected as candidates for appointment to the Board, and to consider related matters including criteria for candidates.

TECHNICAL STAFF

The Staff Director is responsible for determining the FASAB's personnel requirements and for selecting its staff subject to approval by the Administrative Steering Committee. The Staff Director, in consultation with the Administrative Steering Committee, has authority to hire, retain, and contract with staff members and to decide their remuneration, in accordance with policies of the U.S. General Accounting Office, and to contract with any other persons or organizations for research and other technical services to be performed by consultants or independent contractors. The Staff Director shall decide their duties.

The FASAB may supplement its permanent technical staff through a "Fellow Program." Members of this program typically have experience in public accounting, academe, government, or industry. They serve as technical staff members on the understanding that they expect to return to their former employers after a period generally not in excess of 2 years on the FASAB's staff. Service as a FASAB fellow shall not affect a fellow's rights after leaving FASAB to publish utilizing knowledge or expertise gained during service with FASAB.

TASK FORCES

The Chairperson of the FASAB will establish a task force when s/he deems it appropriate. Before doing so, the Chairperson will consult with other FASAB members and the Staff Director. Task force members may be anyone possessing an expertise or viewpoint relevant to the project. The Chairperson of the FASAB will designate a task force Chairperson. The FASAB's Chairperson, in consultation with the Staff Director and the Administrative Steering Committee, is also responsible for establishing operating and administrative procedures for task forces to the extent appropriate.

Task forces play an important role in the accounting standards-setting process by providing expertise and a diversity of viewpoints on a project. Task force members are encouraged to make oral presentations at the FASAB's meetings or public hearings, to submit comments and position papers, and to comment on exposure drafts and on such other matters as the FASAB may request.

Although a task force may be appointed for any purpose related to the duties of the FASAB, a task force for an assigned project generally will be involved in advising, assisting and consulting on the following:

1. The definition of the problem and the scope of the project;
2. The nature and extent of additional research, if any, that might be done, and by whom it might be performed; and
3. The preparation of a discussion memorandum, research reports, exposure draft or other document including appropriate federal accounting and financial reporting issues, and such summary and related documents as the FASAB may determine to be appropriate.

RESEARCHERS FOR PRE-AGENDA ITEMS

In consultation with the Staff Director and the Board, the Chairperson of the FASAB may authorize researchers to conduct research projects as s/he may deem desirable. Research is to be conducted by the FASAB's technical staff, task forces, fellows, consultants, or independent contractors. The three Sponsors, the Staff Director,

other members of the FASAB, or any other individual or organization may submit proposals for research to the Chairperson. Written research data and summaries of research data are a part of the FASAB's public files.

APPENDIX B: NOTICES, MEETINGS, AND PUBLIC HEARINGS

NOTICES

The Staff Director of the FASAB is responsible for announcing developments relating to the operations and activities of the FASAB and for ensuring that all documents are available for public inspection as provided by FACA and the Freedom of Information Act (FOIA). All public announcements contemplated by these Rules of Procedure will be made by or at the direction of the Staff Director, or the Director's designee, as the Designated Federal Officer under FACA, in consultation with the Chairperson. The Staff Director will make public announcements in the *Federal Register*, in accordance with FACA, of the following:

1. Additions and other changes to the FASAB's agenda of projects;
2. The time, date, and place of each meeting of the FASAB, or committee created by the FASAB; the agenda for the meeting; the extent (if any) to which the meeting is to be closed to public observation and the reasons for closing it; and a telephone number to call for further information;
3. Organization of and appointments to task forces and task force assignments;
4. Issuance of discussion memorandums or other related documents, and background and other materials for public hearings;
5. Issuance of reports prepared by or for the FASAB or any of its task forces including written and research data and summaries of such data;
6. The FASAB's intention to hold public hearings and changes in the time, date, location, or general format of a hearing previously announced;
7. Issuance and availability of Statements of Federal Financial Accounting Standards, Interpretations, Technical Releases, and Statements of Federal Financial Accounting Concepts; exposure drafts of proposed pronouncements; and other significant FASAB communications;
8. Completion of a significant phase of a project not otherwise publicly announced; and
9. Determinations by the FASAB to review or reexamine any effective Statement of Federal Financial Accounting Standards, Statement of Federal Financial Accounting Concepts, or other effective federal financial accounting principle.

Documents made available to or prepared for or by the Board generally are part of the public file of the FASAB. They are available for public inspection at the FASAB's offices to the extent provided for by FACA and FOIA. Examples of available documents are:

1. Operating and project plans of the FASAB;
2. Discussion memorandums or other related documents, and background and other materials for, and notices of, public hearings;
3. Outlines of proposed oral presentations at public hearings received by the FASAB, and transcripts of public hearings;
4. Reports prepared by or for the FASAB or any of its task forces, written research data and summaries of such data, and written comments and position papers received by the FASAB from FASAB task forces, members of them, and other individuals and organizations (other than proprietary material of a general character and statistical data and data requested by the FASAB, under confidential treatment as permitted by law);
5. Statements of Federal Financial Accounting Standards, Interpretations, Technical Releases, Statements of Federal Financial Accounting Concepts, exposure drafts, and other documents made available for public comment.
6. Other significant FASAB communications;
7. The ballots of members of the Federal Accounting Standards Advisory Board, and comments of dissenting members, on the issuance of Statements of Federal Financial Accounting Standards, Interpretations, and Statements of Federal Financial Accounting Concepts;
8. The minutes of meetings of the FASAB (subject to the limitations set forth in or contemplated by these rules);
9. Requests for review or reexamination of effective Statements of Federal Financial Accounting Standards, Interpretations, Statements of Federal Accounting Concepts, or other effective federal financial accounting principle, and the responses to them;
10. The annual reports of the Chairperson of the FASAB about the FASAB's activities and its progress, the annual report of closed or partially closed meetings, and other reports and records retained pursuant to the requirements of FACA (see 41 CFR § 102-3.175).

The Staff Director shall determine, after consultation with the General Counsel, whether any FASAB record will be withheld from public release, and a record of such determination shall be kept in the FASAB public file.

MEETINGS

1. Definition. For purposes of this section, a “meeting” means the deliberations (with or without others present) of the members of the FASAB, or of the members of a committee of the FASAB established by the Board, to conduct or dispose of official business of the Board. For this purpose, a meeting does not include informal discussion among FASAB members that involves simply the reporting of events or the consideration of facts that will not predetermine official Board actions. It does not include “administrative work,” which is a meeting of two or more Board members or subcommittee or task force members convened solely to discuss administrative matters of FASAB or to receive administrative information from a federal officer or agency. Neither does it include an informal gathering primarily of a social nature.

2. Frequency. The Board will meet whenever the Chairperson deems necessary. A meeting will be called if a majority of the Board requests a meeting. Board members are expected to attend all meetings.

3. Conduct of Meetings. The Chairperson will preside at meetings and has discretion to determine whether set rules of order will be followed. The objectives are collegial interaction among members, clear direction or input to staff or others, and efficient and effective decision-making. Informal but orderly proceedings will normally best serve those objectives.

4. Access. Except as provided in these rules, and in accordance with the FACA, all meetings of the FASAB will be open to public observation. The Staff Director will assure that the meeting place is accessible to all interested parties.

To close all or a portion of a meeting the FASAB will submit a request to the Sponsors or the Sponsor’s designee stating the specific provisions of the Government in the Sunshine Act, 5 U.S.C. Section 552b, which justify the closure. After the General Counsel reviews the request, the Sponsors or the Sponsor’s designee shall issue a determination addressing whether all or part of the meeting shall be closed. The determination should be available to the public and, if the meeting is closed, should cite the specific exemption(s) used from the Government in the Sunshine Act. These exemptions include, among others, discussions that relate solely to the internal personnel rules and practices of an agency, and those that involve trade secrets and commercial or financial information obtained from a person and that are privileged or confidential. They also include information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy, certain investigatory records and certain records related to regulation of financial institutions.

If a meeting is to be closed in whole or in part to public observation, then the FASAB will publish in the *Federal Register*, at least 15 days before the meeting, the reasons for closing the meeting (or portion thereof). The FASAB will repeat such announcement at its next meeting open in whole or in part to public observation.

5. Notice. At the approval of the Staff Director (acting as the DFO), the Board shall give 15-day advance notice in the *Federal Register* of the time, date, and place of each FASAB meeting. The notice will include the agenda for the meeting, the extent (if any) to which the meeting is to be closed to public observation and the reasons for closing it, and a telephone number to call for further information. In exceptional circumstances, the Board may give less than 15 days notice, if the reasons for doing so are included in the published notice of meeting. Any change in the time, date, or place of a meeting, and any determination to close a meeting previously announced as being open in whole or in part (and the reasons for closing it) or to open a meeting (or a portion thereof) previously announced as being closed, will be published in the *Federal Register*.

6. Adjourning. The Staff Director, as DFO and in consultation with the Chairperson, may adjourn any meeting in whole or in part to reconvene at another time, date, or place. The new meeting will be properly announced in the *Federal Register*. The Staff Director also shall use other methods to ensure that interested parties know about the meeting. These methods may include mailing written or electronic announcements to such individuals as the Chairperson or Staff Director may determine.

7. Information. Requests for information about FASAB meetings may be directed during normal business hours to the FASAB's Staff Director or FASAB. Those planning to attend a meeting are encouraged to contact by telephone the FASAB's Secretary shortly before the meeting date to confirm information about the meeting.

8. Minutes. In accordance with FACA, the FASAB will maintain minutes of its meetings that will summarize the matters discussed and the votes taken. They are a part of the FASAB's public file. The Staff Director shall ensure that the Chairperson certifies the accuracy of the minutes of all FASAB meetings, pursuant to FACA and the GSA's implementing regulations, 41 CFR § 102-3.165.

PUBLIC HEARINGS

The FASAB will seek information about federal accounting and related matters to prepare for its standard-setting meetings by holding a public hearing whenever, in the judgment of the FASAB, it is desirable to do so. The FASAB will decide based on majority views expressed through oral polling of members the number of public hearings to be held for a project. The Staff Director will coordinate the time, date, location, and general format of each public hearing. Generally, public hearings will be held in conjunction with a regularly scheduled meeting and conducted by the Chairperson. Quorum for a public hearing is a majority of the members. The Staff Director will attend each hearing.

Because a public hearing constitutes a meeting under FACA, FASAB will make information available and conduct the hearing in accordance with FACA. Generally the FASAB will publicly announce its intent to hold a public hearing at least 60 days before the earliest date of the hearing. A shorter period (not less than 30 days) may be used when considered appropriate by the FASAB. Such public announcements will be by the *Federal Register*. Each such notice of public hearing will set forth:

1. The time, date, location, and general format of the hearing;
2. A brief statement of the subject or purpose of the hearing;
3. The date or dates before the hearing by which those wishing to be heard at the hearing are to notify the FASAB and by which written comments, position papers, and outlines of oral presentations are to be received by the FASAB;
4. The extent to which a discussion memorandum, exposure draft, or other material is the basis for, or otherwise available in connection with, the hearing;
5. Procedures applicable to the hearing; and
6. Such other information as the FASAB may decide.

Any individual or organization may request to be heard at a public hearing. The FASAB will schedule all those making timely requests. Submission of written comments, a position paper, or an outline of proposed oral presentation is encouraged. Copies of these comments received by the FASAB will be distributed to members of the Board and are a part of its public file.

Public hearings may be adjourned, in whole or in part, to reconvene at another time, or location. They may be extended to additional date or dates at the same or different locations, with the same or a different format. There will be an announcement of the reconvening at the hearing and every effort will be made outside the hearing to notify interested parties of the change. All hearings will be held at a reasonable time to give the public an opportunity to attend. Hearings will be accessible to the public.

APPENDIX C: PUBLICATIONS

INTRODUCTION

In discharging its responsibilities the FASAB develops or causes to be developed various publications. The following chart presents the publications FASAB has used, how they are developed and due process requirements.

TYPES OF PUBLICATIONS	USE AND DEVELOPMENT	DUE PROCESS REQUIREMENTS ²
<u>PRELIMINARY DOCUMENTS:</u>	Preliminary documents may not be followed immediately by issuance of a final pronouncement. An exposure draft precedes each final pronouncement.	
Research Reports (RR)	The Board may request an RR. Staff, a task force or others generally would develop the report. The report is used by the Board and others in considering accounting concepts and standards.	The Chairperson confers with the Board prior to issuance of an RR.
Discussion Memoranda (DM)	Staff, a task force or others may develop a DM. DMs define problems, identify issues (scope), present research findings, summarize relevant literature, and present alternative solutions. DMs request comments.	The Chairperson confers with the Board prior to issuance of a DM. The DM provides guidance for submission of comments including a deadline for comments. The anticipated comment period is 60 days and the minimum is 30 days. All comments are provided to the Board members with a staff (or task force) summary and analysis. The Board may hold a public hearing.
Invitations to Comment (ITC)	A Board document inviting comment on alternatives or proposals in a wide variety of forms. For example, an ITC may be used to solicit comments on a proposal made by another standard setting body in another domain.	An ITC may only be issued if a majority of members voting approve its issuance. The ITC specifies a date (the anticipated comment period is 60 days and the minimum is 30 days) and instructions for submission of comments. All comments are provided to the Board members with a staff (or task force) summary and analysis. The

² (Note that all publications are subject to *Federal Register* notice requirements. The requirements presented here are summarized.)

		Board may hold a public hearing.
Preliminary Views (PV)	A Board document soliciting comment on a preliminary view of a majority of the Board's members. Members are permitted to express alternative views.	A PV may only be issued if a majority of members voting approve its issuance. The PV specifies a date (the anticipated comment period is 60 days and the minimum is 30 days.) and instructions for submission of comments. All comments are provided to the Board members with a staff (or task force) summary and analysis. The Board may hold a public hearing.
EXPOSURE DRAFTS (ED)	The FASAB's due process procedures include a period for public comment. To accomplish this, the FASAB publishes exposure drafts requesting comments from interested parties. The ED presents the proposal in the form of a final pronouncement. Contents of an ED are outlined in sections following this table. An ED must precede each final pronouncement.	An ED may only be issued if a majority of members voting approve its issuance. The ED specifies a date (the anticipated comment period is 90 days and the minimum is 30 days) and instructions for submission of comments. All comments are provided to the Board members with a staff (or task force) summary and analysis. The Board may hold a public hearing.
FINAL PRONOUNCEMENTS:		
Statements of Federal Financial Accounting Standards (SFFAS)	Statements establish authoritative accounting standards at the highest level in the GAAP hierarchy. Typically, the statements include definitions of terms, recognition, measurement, disclosure, supplementary information requirements. Statements specify an effective date and implementation guidance.	Following a majority vote of the members voting, SFFAS are submitted to the Secretary of the Treasury, the Director of OMB, the Comptroller General, and the Director of CBO. If, within 90 days after its submission, neither the Comptroller General nor the Director of OMB objects to the standard, then it shall be announced in the Federal Register and published by FASAB.
Interpretations (Int.)	Interpretations clarify SFFAS provisions.	Following a majority vote of the members voting, Int. are submitted to the members representing Treasury, OMB, or GAO. If, within 45 days after its submission, none of these members object, then it shall be announced in the <i>Federal Register</i> and published by FASAB.
Statements of Federal Financial Accounting	Statements on concepts are more general than statements of standards and do not contain	Following majority vote of the members voting, SFFAC are submitted to the Secretary of the

<p>Concepts (SFFAC)</p>	<p>specific recommendations that become authoritative requirements for federal agencies and auditors. Instead, statements on concepts provide general guidance to the Board itself as it deliberates on specific issues. They also help others to understand federal accounting and financial reports.</p>	<p>Treasury, the Director of OMB, the Comptroller General, and the Director of CBO. If, within 90 days after its submission, neither the Comptroller General nor the Director of OMB objects to the concept, then it shall be announced in the <i>Federal Register</i> and published by FASAB.</p>
<p>Technical Bulletins (TB)</p>	<p>Technical Bulletins provide guidance for applying FASAB Statements and Interpretations and resolving accounting issues not directly addressed by them.</p>	<p>Due process procedures, content specifications, and voting requirements are found in Technical Bulletin 2000-1. A Bulletin will not be issued if a majority of the FASAB members object either to the guidance in it or to communicating that guidance in a Technical Bulletin.</p>
<p>Technical Releases (TR)</p>	<p>TRs provide guidance related to existing accounting standards but may not promulgate new accounting standards.</p>	<p>The AAPC Charter and operating procedures specify due process procedures, AAPC voting requirements, and FASAB approval requirements. All proposed technical releases are ultimately submitted to the FASAB. If, within 45 days after submission, either a majority of the FASAB or a member representing Treasury, OMB or GAO objects to the proposed technical release, then it shall be returned to the AAPC for further consideration. If, within 45 days after its submission, neither a majority of FASAB nor a member representing Treasury, OMB or GAO objects to the proposed technical release, then it shall become final.</p>

Preliminary documents may take a variety of forms. Thus, no content specifications have been developed. Content specifications, due process, and pre-issuance procedures follow for all other publications.

EXPOSURE DRAFTS

Comment period. Generally, the FASAB will expose proposed Statements of Federal Financial Accounting Standards or Concepts for public comment for at least 60

days and proposed Interpretations for at least 30 days. A shorter period (not less than 30 days) may be used when this is considered appropriate by the FASAB.

Publishing. Exposure drafts will be published electronically. Printed copies of the exposure draft will be mailed to all individuals and organizations that request printed copies. Exposure drafts, and notices of issuance of exposure drafts, will specify the time and manner in which individuals and organizations may comment. Written comments and position papers received in respect of exposure drafts are provided to all members and become a part of the FASAB's public file.

Notice. Notice of the availability of all exposure drafts will be made by *Federal Register* announcement, news release, and in the FASAB News.

Content. Exposure drafts include the same information as related final pronouncements (see sections I.1. through I.4. below) with the exception of the number of Board members voting in favor and against the exposure draft (the "vote count"). The vote count is excluded because members sometimes may vote to issue a document so that comments will be solicited on their alternative view. In that case, the vote count would not be indicative of the support for the proposed solution.

Exposure drafts also include specific requests for comment. Respondents are encouraged to address the specific questions but also are invited to share their views concerning other issues relevant to the exposure draft.

If requested, "alternative views" will be incorporated in exposure drafts to request comments on the specific view or proposal of a member or a group of members that differs from the majority view of the Board. Members should draft their own alternative view but may seek assistance from the staff. Members are encouraged to seek input from individual members of the Board on draft alternative views. Generally, the alternative view should explain the alternative treatment, why the member believes this to be a more appropriate treatment than the treatment proposed by the majority of the Board, and pose specific questions to respondents. The alternative view should clearly state the difference(s) between the Board's proposal and the alternative proposal, and should not reiterate positions that the majority of the Board has taken.

To ensure that the views expressed in an alternative view are clearly distinguished from the majority view, the following standard text will precede the alternative view:

Individual members sometimes choose to express an alternative view when they disagree with the Board's majority position on one or more points in a proposed standard. The alternative view would discuss the precise point or points of disagreement with the majority position and the reasons therefore. The ideas, opinions, and statements presented in the alternative view are those of the individual member alone. However, the individual member's view may contain general or other statements that may not conflict with the majority position, and in

fact may be shared by other members. The material following was prepared by an individual member and is presented as an alternative view.

Draft alternative views should be provided to the Board for their consideration at the earliest possible point in deliberations. Every effort should be made to provide an alternative view for discussion at a public meeting of the Board in advance of balloting. If a member indicates a desire to express an alternative view but does not provide the written materials within four working days of the due date for the ballot on that ED, staff will include a statement in the exposure draft's basis for conclusions as follows:

Individual members sometimes choose to express an alternative view when they disagree with the Board's majority position on one or more points in a proposed standard. The alternative view would discuss the precise point or points of disagreement with the majority position and the reasons therefore. The ideas, opinions, and statements presented in the alternative view are those of the individual member alone. However, the individual member's view may contain general or other statements that may not conflict with the majority position, and in fact may be shared by other members. A member indicated that an alternative view was desired but was unable to submit a written expression of those alternative views before the publication date of this exposure draft. Readers may contact the FASAB offices to request a copy of any alternative view provided by the member after the publication date of this exposure draft. In addition, any alternative view will be posted on the FASAB website when it becomes available (see www.fasab.gov/exposure.htm).

The Board provides more detailed guidance relating to the role of Board members through a Statement of Board Members Responsibilities.

FINAL PRONOUNCEMENTS

In discharging its responsibilities the FASAB develops Statements of Federal Financial Accounting Standards, Statements of Federal Financial Accounting Concepts, Interpretations, and Technical Bulletins through a due process procedure as described in the MOU and the Rules of Procedure.

When the Board has developed a concept or standard, the Board shall submit it to the Comptroller General, the Secretary of the Treasury, the Director of OMB, and the Director of CBO for their review. If, within 90 days after its submission, neither the Comptroller General nor the Director of OMB objects to the concept or standard, then it shall be announced in the Federal Register and published by FASAB. If, within 90 days after its submission, either the Comptroller General or the Director of OMB objects to the concept or standard, then it shall be returned to the Board for further consideration.

An Interpretation or Technical Release shall be submitted to the members of the Board representing the three sponsors for their review. If, within 45 days after its submission, none of these officials objects to the Interpretation or Technical Release, then it shall be announced in the Federal Register and published by FASAB. If, within 45 days after its submission, any one of the members representing a principal objects to the Interpretation or Technical Release, then it shall be returned to the Board for further consideration

Upon completion of the review periods described above, the Board will publish notice of issuance of each Statement of Federal Financial Accounting Standards, Statement of Federal Financial Accounting Concepts, Interpretation, Technical Bulletin or Technical Release in the Federal Register. The Board will also publish notices of issuance of each exposure draft of a Statement or Interpretation and the availability of copies of it by Federal Register.

STATEMENTS OF FEDERAL FINANCIAL ACCOUNTING STANDARDS

Each Statement of Federal Financial Accounting Standards will include:

- a. The proposed standards of federal accounting;
- b. The Statement's proposed effective date of application and method of transition;
- c. Background information, including a brief summary of research results if a research project was undertaken concerning development of the exposure draft of the Statement or Statement;
- d. The basis for the FASAB's conclusions, including its reasons (conceptual or otherwise) for accepting certain alternatives and rejecting others, and a summary of the more significant and relevant points of view communicated to the FASAB at public hearings and in written comments and position papers;
- e. The number of Board members who voted in favor of the Statement and the number of those who voted against it or who abstained, if any. There shall also be a statement that the written ballots are available for public inspection at the FASAB's offices.

Written dissents provided by individual members and the identity of the member;

- f. the authoritative status of any appendices shall be indicated; and
- g. Such other information as the FASAB may determine to be useful.

INTERPRETATIONS

Each Interpretation will include:

- a. The interpretation of federal accounting standards or concepts;
- b. The Statement's effective date of application and method of transition;
- c. Background information;
- d. The basis for the FASAB's conclusions; and
- e. the authoritative status of any appendices shall be indicated;
- f. Written dissents provided by individual members and the identity of the member.

Interpretations approved by a majority of the Board members and not objected to by a member representing a Principal will be published by FASAB and announced in the Federal Register.

STATEMENTS OF FEDERAL FINANCIAL ACCOUNTING CONCEPTS

Statements of Federal Financial Accounting Concepts set forth fundamental ideas on which federal accounting standards will be based. More specifically, Statements of Federal Financial Accounting Concepts explain the objectives and ideas that the FASAB will use in developing standards of federal accounting. Statements of Concepts also enhance the ability of users to understand the content and limitations of information provided by federal accounting and financial reporting, and thus increase their ability to use that information effectively.

Each Statement of Federal Financial Accounting Concepts will include:

- a. The proposed federal accounting concepts;
- b. Background information, including a brief summary of research results if a research project was undertaken in connection with development of the Statement or exposure draft of Statement;
- c. Supporting analysis;
- d. The number of Board members who voted in favor of the Statement and the number of those who voted against it or who abstained, if any. There shall also be a statement that the written ballots are available for public inspection at the FASAB offices.

- e. Written dissents provided by individual members.
- e. Such other information as the FASAB may determine to be useful.

TECHNICAL RELEASES

Technical Releases will be promulgated through a permanent committee, the Accounting and Auditing Policy Committee (AAPC). The AAPC has a separate Charter and Operating Procedures. Following is a brief review of the charter and procedures.

The AAPC has authority to provide guidance related to existing accounting standards but may not promulgate new accounting standards. The AAPC Charter and operating procedures specify due process procedures, AAPC voting requirements, and FASAB approval requirements. All proposed technical releases are ultimately submitted to the FASAB. If, within 45 days after submission, either a majority of the FASAB or a member representing Treasury, OMB or GAO objects to the proposed technical release, then it shall be returned to the AAPC for further consideration. If, within 45 days after its submission, neither a majority of FASAB or a member representing Treasury, OMB or GAO objects to the proposed technical release, then it shall become final.

TECHNICAL BULLETINS

FASAB members will be provided with copies of all exposure drafts of Proposed Technical Bulletins before their release for comment by interested parties. Within 15 days of sending the draft TB to FASAB members, the Executive Director will review any member comments and consult with members on any issues identified. Based on the comments and consultation, the Executive Director will determine if a majority of members do not object to the proposed Technical Bulletin.

If a majority of the FASAB members do not object, the Executive Director will release the exposure draft of the proposed Technical Bulletin to selected knowledgeable persons for comment. Those persons include members of the CFO Council, the President's Council on Integrity and Efficiency, the Joint Financial Management Improvement Program, CPA firms, and others the Executive Director and members of FASAB believe should be consulted. Proposed Technical Bulletins will be publicized by electronic communication with interested parties and by posting to FASAB's World Wide Web site during an exposure period of at least 15 days. The FASAB will maintain a public record of proposed Technical Bulletins and all written comments received. The public record will be available for inspection at the FASAB's offices.

All comments received on exposure drafts of Proposed Technical Bulletins will be given to the Board for its consideration at a public meeting before final issuance. A

Technical Bulletin will not be issued if a majority of the FASAB members object either to the guidance in it or to communicating that guidance in a Technical Bulletin.

OTHER COMMUNICATIONS

The FASAB may, at its discretion and with or without appointment of task forces, research, notice, public hearings, or public exposure, issue in its name or at its direction other communications of an informational nature related to federal accounting and financial reporting, including the FASAB's mission, policies, and activities. Such communications may include, among others, discussion memorandums, summary and related documents, research reports, responses to requests and inquiries, and statements of policy dealing with matters of federal accounting and financial reporting.

AVAILABILITY OF PUBLICATIONS

To promote broad public participation in establishing and improving federal accounting standards, the FASAB will make available on request, without charge, at least one copy of each document made available for public comment. Information about the number of copies available without charge in any specific case, and the copies themselves, may be obtained by contacting the Secretary of the FASAB at the address set forth below. Additional quantities, and all copies ordered after the completion of public hearings or after the comment period, may be obtained upon payment of specified prices then in effect. The FASAB will maintain an electronic and/or written public communication process to enable users ready and free access to its publications including its newsletter.