



**FEDERAL
ACCOUNTING STANDARDS
ADVISORY BOARD**

Annual Report

Fiscal Year Ended September 30, 2018

Three-Year Plan

Fiscal Years 2019-2021

Comments Requested by January 23, 2019

Issued November 15, 2018

Current FASAB Members

D. Scott Showalter | Chair | 2016–2019 | Non-federal representative | 2009–2015

R. Scott Bell | Department of the Treasury | 2017–present**

Gila J. Bronner | Non-federal representative | 2016–2021*

Robert F. Dacey | Government Accountability Office | 2004–present**

Michael H. Granof | Non-federal representative | 2009–2019

Patrick McNamee | Non-federal representative | 2017–2021*

George A. Scott | Non-federal representative | 2016–2021*

Graylin E. Smith | Non-federal representative | 2012–2022

Timothy F. Soltis | Office of Management and Budget | 2018–present**

***Member eligible for a second five-year term.**

****Federal members are not term limited.**

Organization

Three federal officials responsible for federal financial reporting—the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General of the United States—established the Federal Accounting Standards Advisory Board (FASAB or “the Board”) in October 1990. These three officials possess legal authority under various laws to establish accounting and financial reporting standards for the federal government. Together, they entered into and have periodically modified a Memorandum of Understanding creating the Board as a federal advisory committee.

Membership comprises individuals from each of the three federal agencies that established the Board (the sponsors) and six non-federal individuals. The American Institute of Certified Public Accountants (AICPA) has designated the Board as the body that establishes generally accepted accounting principles for federal reporting entities.

Mission

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.

The Mission Supports Public Accountability

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.

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Annual Report

FROM THE CHAIR

I am pleased to present our annual report and to invite your feedback on the work of the Federal Accounting Standards Advisory Board (FASAB or “the Board”). This is my third and final annual report as chair. We made substantial progress during my tenure on the Board and as its chair. That progress is due to extensive collaboration with stakeholders, other standards-setters, and the federal community. Thank you to all who collaborated with us to improve federal financial reporting.

Increased Visibility and Recognition

The federal government is the one reporting entity providing financial statements relevant to every citizen of the United States. During the last three years, the Board has sought opportunities to increase the visibility and recognition of the activities and results of the Board. The Board’s activities remain vital to measuring and reporting the federal government’s actual results of operations and financial condition through generally accepted accounting principles (GAAP) based financial statements. All members of the profession should be aware of the role FASAB plays in helping citizens access credible and useful financial information. Yes, that includes members of the profession not practicing in the federal government arena.

During the last three years, we have made significant progress increasing the visibility and recognition of the Board’s work. This effort has resulted in increased coverage of Board activities in professional journals and more outreach opportunities. Examples include the following:

- Participating in webcasts for the Association of Government Accountants (AGA), the U.S. Global Change Research Committee, and the Institute of Internal Auditors (IIA)
- Writing articles for:
 - the American Institute of Certified Public Accountants’ (AICPA) [Government Briefs](#)
 - *Government Executive*
 - The AGA’s *Journal of Government Financial Management*
 - *Contract Management Magazine*
- Presenting a paper on public-private partnerships (P3s) at an Association for Budgeting and Financial Management conference
- Increasing coverage of official Board publications by the *Journal of Accountancy* and the AGA’s Topics
- Increasing collaboration with federal entities by presenting at venues such as the Inter-Agency Forum on Climate Risks hosted by NASA and the American Society of Military Comptrollers
- Working with *Accounting Today* and the CPA Journal to expand coverage
- Initiating a social media strategy to highlight Board activities resulting in a 21% total increase in followers across FASAB’s Twitter and LinkedIn
- Publicizing the Board’s work through recognition of the professional contributions of members and staff – significant awards during the last three years include:
 - *Accounting Today*’s Ones to Watch list
 - International Achievement Award (AGA and AGA DC Chapter)

- Government Transparency Award (AGA DC Chapter)
- Educator Award (AGA and AGA DC Chapter)
- Distinguished Achievement in Accounting Education Award (AICPA)
- Elmer Staats Award (AGA) - 2016
- Refreshing the FASAB newsletter by highlighting key messages in the body of the email to make it easier to track progress on projects
- Using an online survey to significantly increase the feedback we receive on our three-year plan
- Continuing collaboration with the Governmental Accounting Standards Board (GASB) including participation by Mr. Michael Granof, Board member, on GASB and participation by Mr. George Scott, Board member, on the reporting reexamination task force
- Continuing collaboration with the International Public Sector Accounting Standards Board (IPSASB), including participation by Mr. Robert Dacey, Board member, on IPSASB
- Participating in the IPSASB's second annual Public Sector Standard Setters Forum
- Receiving routine updates from members serving on GASB (Mr. Michael Granof) and IPSASB (Mr. Robert Dacey)
- Participating in an IIA task force studying the international accounting and auditing of public grants and the U. S. Global Change Research Program task force
- Participating on the IPSASB's heritage items consultative group and responding to the resulting consultation paper—*Financial Reporting on Heritage in the Public Sector*
- Attending the joint IPSASB-International Monetary Fund-World Bank seminar entitled “Harnessing the Power of Accrual”
- Providing updates at the Organization for Economic Co-operation and Development's annual symposium, the American Accounting Association annual conference, and the Institute for Responsible Infrastructure Stewardship meetings

Increasing knowledge of FASAB activities enhances the recognition and acceptance of FASAB standards as well as awareness of federal financial reporting.

Standards-setting Accomplishments

The year brought another uniquely federal concern for the Board to address—balancing the need for financial reports to be publicly available with the need to prevent the disclosure of classified national security information or activities in publicly issued general purpose federal financial reports (GPFRRs). To provide classified guidance, the Board established a due process consistent with current practice and modified only as needed to appropriately restrict access to classified information. The final Statement of Federal Financial Accounting Standards (SFFAS) titled *Classified Activities* was issued in early October 2018.

The final Statement allows financial presentation and disclosure to accommodate user needs in a manner that does not impede national security. The Statement provides for more detailed guidance to be issued if needed. Such guidance may itself be classified.

FASAB finalized three other standards in fiscal year (FY) 2018. These standards were developed through close collaboration with stakeholders. The Board issued SFFAS 53, *Budget and Accrual Reconciliation*, SFFAS 54, *Leases: An Amendment of Statement Of Federal Financial Accounting Standards (SFFAS) 5, Accounting For Liabilities Of The Federal Government, And SFFAS 6, Accounting For Property, Plant, and Equipment*, and SFFAS 55, *Amending Inter-entity Cost Provisions*, during the fiscal year. To increase informational value and usefulness, the Board issued amendments to the budget and accrual reconciliation (BAR). The BAR explains the relationship between the entity's net outlays on a budgetary basis and the net cost of operations during the reporting period. Collaboration with GASB on lease standards appropriate to

government entities ensured we provided timely guidance that will have a significant effect on the informative value of financial statements. Through our collaboration with the Department of Defense (DoD) on its efforts to implement existing standards, we became aware of extraordinary challenges in applying inter-entity costing requirements in complex organizations. The Board issued amendments to inter-entity costing requirements to reduce the burden of compliance without reducing the informative value of financial statements.

Several proposals are nearing completion as of the end of the fiscal year. The Board is addressing complex topics such as land reporting and materiality concepts through these proposals.

Member News

At the end of calendar year 2017, the Board bid farewell to Mark Reger, deputy controller at the Office of Management and Budget (OMB). Mr. Reger contributed greatly to the Board since joining us in 2010 when he was deputy assistant secretary at the Department of the Treasury (Treasury). He is the only member to have represented both Treasury and OMB. He brought valuable insight from both these roles and his prior experience as a deputy chief financial officer (CFO). His contributions to improve federal financial reporting will be lasting and he will be missed.

Following Mr. Reger's retirement, Regina Kearney, then acting deputy controller, and Carol Johnson represented OMB on the Board. Both Ms. Kearney and Ms. Johnson have extensive experience in federal financial reporting as well as accounting standard-setting. Their valuable insights ensured a smooth transition, and their support was greatly appreciated.

Mr. Timothy Soltis, deputy controller at OMB, joined the Board in August 2018. His past experience as the deputy CFO and delegated CFO of the Department of Education and extensive financial/acquisition management, audit, and financial reporting experience in both DoD and the Intelligence Community bring valuable insights to the Board as well.

Treasury selected Mr. R. Scott Bell as its representative on the Board. His significant experience preparing the consolidated financial report of the U. S. Government and his prior agency experience bring valuable perspective to the work of the Board.

During 2019, the Board will welcome two new members following the completion of my term and Mr. Michael Granof's term. Public members on the Board are limited to ten years of service. The ten years go by quickly, but much has been accomplished during this time. The selection process for new members is underway and involves many stakeholders. In addition to the three federal members and me, three representatives from the Financial Accounting Foundation and the AICPA are engaged in evaluating and recommending candidates for appointment. We expect to announce the two new members and identify the incoming chairperson in early 2019.

Executive Director

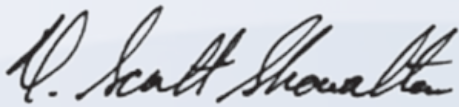
During 2018, the Board's executive director, Ms. Wendy Payne, notified us of her plan to retire from federal service shortly after the second quarter of FY 2019. Ms. Payne is FASAB's second executive director and has served in that capacity for 21 years. She and Ms. Monica Valentine are the last of the original staff that joined the Board in 1991. Ms. Payne attributes her longevity with the Board to "the unique blessing of working with extraordinary individuals to tackle challenging issues that matter to a lot of people." Ms. Payne has done an outstanding job in attracting and retaining a multi-talented team that has served the Board very well over many years. Additionally, she has overseen the transition of the Board from a start-up organization to the mature standards-setter of today, adjusting to ever-changing Board members, shifting priorities, and federal budget reductions. I have very much enjoyed working with Wendy both as a Board member and as chair.

Where We Go Next

We are continuing important efforts to improve disclosures, enhance the reporting model, and provide information about risk. These efforts are made more significant because of the ongoing audit of DoD. As DoD improves its audit readiness, we anticipate greater interest in federal financial reports. Reliable, consistent, and comparable information about federal financial performance can make an important contribution to public policy making and citizen engagement. The overall credibility of reports can only improve as DoD makes progress.

Your input will ensure we continue to focus our resources on the highest priorities for the federal reporting community. The three-year plan is included in this report beginning at [page 15](#). We encourage you to provide feedback on the plan so that members can consider your views during the Board's review in February 2019. Please send your comments to fasab@fasab.gov or participate in the electronic survey. We will announce details regarding the survey to our mailing list concurrently with the release of this report.

We also encourage you to continue monitoring our progress and contributing to our standards-setting efforts—through participating on task forces, responding to documents for comment, and/or testifying at public hearings. I know I will be monitoring activities after my term ends.



D. Scott Showalter

BOARD TECHNICAL ACTIVITIES

Standards-setting Activities

The Board generally undertakes six major projects and addresses minor matters as time permits during each year. While the projects appear discrete, ideas are shared across project boundaries. For example, efforts on the risk reporting project informed development of disclosure requirements regarding risk in other projects. Awareness of emerging ideas helps ensure the Board makes consistent decisions across projects.

Reporting Model

The Board initiated the reporting model project due to increased demands for financial information for decision making and accountability and changes in the way users access information. The Board began by identifying the information that would be helpful and subsequently issued Statement of Federal Financial Accounting Concepts (SFFAC) 8, *Federal Financial Reporting*, in 2017. SFFAC 8 addresses current and evolving reporting needs and capabilities and serves as a framework for later standards. The concepts will assist the Board in developing and improving reporting models for the government-wide and component reporting entities.

In the first phase of the follow-on project, the Board is considering two proposals that would improve currently required information. One proposal seeks to improve presentation of information in management's discussion and analysis (MD&A) by encouraging integrated presentation of information, including information about financial aspects of operating performance and risk. The Board is also considering providing the option to discuss the availability and location of a comprehensive performance report. Another proposal seeks to provide flexibility regarding reporting on stewardship investments, such as trends in research and development expenses. These proposals would be responsive to input from preparers and auditors regarding users' access to and preference for other sources of information.

Risk Reporting

The Board undertook a project on risk assumed to provide comprehensive and consistent reporting for significant risks assumed by the federal government. The first phase of the project concluded in 2017 when the Board issued revised standards for insurance programs (SFFAS 51). During FY 2018, the Board made progress on the second phase of the risk assumed project. At the August 2018 meeting, members decided to change the project name to "risk reporting" to better reflect the project's objectives. Based on the results of outreach to users, the Board is considering ways to integrate risk reporting information in MD&A.

The Board also considered how measurement uncertainty—the lack of precision in accounting measurements—could be revealed in financial reports. Disclosures should help users understand accounting estimates and the uncertainty inherent in such estimates. Where estimates are particularly sensitive to assumptions, users may benefit from more disclosure regarding the range of potential outcomes. Through the risk reporting project, the Board identified factors to consider in developing such note disclosure (NODI) requirements. The Board will further consider these factors through its note disclosures project.

Leases

FASAB first addressed lease accounting during the development of SFFAS 5, *Accounting for Liabilities of the Federal Government*, and SFFAS 6, *Accounting for Property, Plant, and Equipment*. At that time, the Board decided to use the high-level lease accounting language from the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 13 *Accounting for Leases* (subsequently codified in Accounting Standards Codification [ASC] – Topic 840 *Leases*). The Board planned to use

this preliminary guidance as a placeholder until it was prepared to add lease accounting to its agenda as a separate project. The FASAB standards did not specifically address several areas of lease accounting covered by the FASB standards. There were many calls from the federal community to develop comprehensive federal standards on lease accounting to reduce confusion surrounding whether FASB standards apply to federal entities when FASAB standards are silent on a topic. When FASB began to revise its standards, it became imperative for the Board to revisit the federal lease accounting standards. At the inception of the project, the Board decided to coordinate with GASB on the lease project because of the similarities among governmental entities regarding lease activities and reporting objectives. Staff worked closely with GASB staff during the development of new federal lease accounting standards.

FASAB issued SFFAS 54, *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government and SFFAS 6, Accounting for Property, Plant, and Equipment*, on April 17, 2018. SFFAS 54 amends the lease accounting standards in SFFAS 5 and SFFAS 6 and establishes distinct standards for intragovernmental leases. SFFAS 54 provides a comprehensive set of lease accounting standards to recognize federal lease activities in the reporting entity's GPFs and includes appropriate disclosures. The requirements of SFFAS 54 are effective for reporting periods beginning after September 30, 2020—FY 2021. Early adoption of SFFAS 54 is not permitted. The Board anticipates developing implementation guidance during FY 2019 and 2020 through the Accounting and Auditing Policy Committee (AAPC).

Accounting and Reporting of Government Land

The Board is addressing significant inconsistencies in how agencies report information pertaining to land owned by the federal government. Under existing standards, reporting entities capitalize land acquired for or in connection with other general property, plant, and equipment (PP&E) on the balance sheet. Reporting entities do not capitalize stewardship land (SL) on the balance sheet even when they use it in connection with general PP&E. Instead, a note discloses land management policies, categories of land, and physical quantity information regarding SL.

The recent guidance regarding opening balances of general PP&E—SFFAS 50, *Establishing Opening Balances for General PP&E*—further allows certain federal agencies to exclude land from the balance sheet. Agencies applying SFFAS 50 could report acres in a note disclosure and exclude all land from capitalization on the balance sheet.

The resulting flexibility relating to opening balances and the existing land categories mean information about land is unlikely to be complete or comparable. This is a long-standing situation highlighted by the Board's decisions in SFFAS 50. In 1975, the first prototype federal financial report disclosed both acres and cost of land by predominant use. However, the cost information excluded the cost of public land, which represents over 90% of total acres. Subsequently, various committees studied the matter of accounting for this vast asset without identifying a common measure for all public lands that would be both relevant and cost beneficial. The Board also studied this matter extensively in arriving at existing standards.

The Board is again considering improvements with the aid of a task force including representatives from government agencies, citizens, and other users from academia and business. The task force considered a variety of measures including historical cost, fair value, and non-financial measures such as acres.

The Board issued its proposal regarding land in FY 2018. The proposal was to remove all land from the balance sheet and require disclosure of information regarding acres of land and use of land. The Board considered responses to the proposal in late FY 2018 and hopes to complete deliberations in FY 2019.

Materiality

The Board is developing materiality concepts applicable to federal financial reports for inclusion in the conceptual framework. Presently, FASAB discusses materiality in several places but not comprehensively nor consistently. The Board agreed to update the materiality guidance to assist preparers in making materiality judgments and improving disclosures. The Board issued proposed concepts for comment early in FY 2019. The Board hopes to finalize the concepts in FY 2019.

The proposed materiality section does not include substantive changes to underlying concepts. Rather, to provide better guidance, it adds important elements, such as a discussion of users, a clearer concept of misstatement, and specific federal environment considerations. Having a single comprehensive discussion of materiality should enhance consistency in judgments by preparers and auditors.

Note Disclosure

Note disclosures are an integral part of financial statements. Users rely on them to understand the financial statements and reach conclusions about operating performance and the stewardship of government resources. The Board is evaluating the effectiveness of disclosures in light of their growing complexity, burden, and volume. Respondents to the FY 2016 and FY 2017 three-year plan rated highly a project to review note disclosures.

During early FY 2018, the Board approved a two-phased project plan and agreed that the primary objectives of the NODI project are to improve the relevance, clarity, consistency, and comparability of note disclosures among federal entities. Currently, the project is in the first phase. The goal of phase one is to identify and develop principles for disclosure to be used by the Board and preparers to reduce repetition and improve relevance and consistency in note disclosures.

In April 2018, the Board agreed to concentrate the NODI project on the disclosure principles themselves, rather than their format or location. Other standards-setting boards are exploring the potential for reorganizing the disclosure requirements to help entities exercise judgment about what specific information should be communicated to the primary users of the financial statements. The Board decided to develop centralized disclosure objectives by focusing on the different types of information disclosed about an entity's assets, liabilities, revenue, and costs.

FASAB initiated a NODI task force late in FY 2017. The task force is assisting staff in identifying and developing disclosure principles that would guide the Board in its standards-setting efforts. The task force researched relevant publications and performed data comparisons of note disclosures on two pilot notes across 24 CFO and Certificate of Excellence in Accountability Reporting review awardee agencies' 2016 financial reports. The Board began considering and evaluating the task force's research results in late FY 2018. When phase one is completed, the Board will consider how to best apply the principles to revise existing disclosure requirements during phase two.

Evaluation of Existing Standards

Based on feedback from the federal financial management community regarding increasingly constrained resources and competing demands on those resources, the Board is evaluating existing requirements. FASAB may eliminate or modify requirements when they are found not to be cost-beneficial.

DoD's ongoing efforts to implement standards are revealing areas in need of clarification or amendment. For example, DoD's highly matrixed operations revealed that inter-entity costing requirements would be especially costly to implement. More importantly, when the outcome of operations requires many sub-components to work together in a matrixed environment, relating cost to performance of an individual sub-component is unlikely

to aid in relating cost to overall performance. This insight led to a review of implementation of imputed inter-entity costs across the government. The Board found that imputed inter-entity costs other than those related to employee benefits and Treasury Judgment Fund settlements were immaterial at departments and agencies other than DoD. Based on these findings, the Board issued SFFAS 55, *Amending Inter-entity Cost Provisions*, amending the existing requirements for FY 2019. Early implementation of SFFAS 55 was permitted.

Other areas FASAB evaluated during FY 2018 include the following:

- Identification of intragovernmental exchange transactions, which resulted in Technical Bulletin (TB) 2017-1, *Intragovernmental Exchange Transactions*
- Assignment of assets to component reporting entities, which resulted in TB 2017-2, *Assigning Assets to Component Reporting Entities*
- Clarification of paragraphs 40-41 of SFFAS 6, which resulted in Staff Implementation Guidance 6.1, *Clarification of Paragraphs 40-41 of SFFAS 6, Accounting for Property, Plant, and Equipment*, as amended

The Board has also issued a draft Interpretation to address recognition of contingent liabilities and cleanup costs when multiple sub-component reporting entities are involved. Guidance in each of these areas will clarify acceptable approaches and reduce the cost of applying existing standards.

The Board will identify other areas for evaluation and address each through future efforts under this overarching project.

Classified Activities

SFFAS 56, *Classified Activities*, was issued as a final Statement in early October 2018 following review by the FASAB sponsors. In developing this Statement, the Board addressed the challenge of supporting transparency while avoiding unauthorized disclosure of information.¹ SFFAS 56 balances the need for financial reports to be publicly available and transparent with the need for limited modifications to prevent the disclosure of classified national security information or activities in publicly issued GPFFRs.

The Board had several discussions with national security experts and stakeholders to evaluate the available options for presenting classified information in unclassified GPFFRs without jeopardizing national security. The proposed standards were developed following established procedures augmented by closed sessions only as needed. The public response to the proposal revealed substantial support for the overall proposal and identified areas needing clarification. The Statement also explained how existing due process procedures would be applied if the Board developed more detailed guidance that itself would be classified.

In July 2018, the Board released proposed classified Interpretation of Federal Financial Accounting Standards SFFAS 56: *Classified Activities*. The proposed Interpretation permits specific modifications to prevent the disclosure of classified information within unclassified GPFFRs. Comments were considered during the August Board meeting and the Interpretation is anticipated to be finalized in early FY 2019.

The Board is prepared to address the need for additional classified activities guidance if other areas of concern arise while agencies develop auditable financial statements. Concerns regarding unintended disclosure of classified information have been raised since the passage of the CFO Act in 1990. As the DoD approaches auditability, reasonable methods to protect classified information are necessary. The Board will continue to provide a forum to raise reporting challenges and work towards solutions.

Implementation Guidance

The AAPC comprises representatives from the CFO Council, the Council of Inspectors General on Integrity and Efficiency, Treasury, OMB, and the U.S. Government Accountability Office (GAO). The Board's executive director serves as chair of the committee. While the Board provides staff support, the committee accomplishes its mission largely through the efforts of volunteers serving on task forces. Volunteers come from federal agencies, independent public accounting firms, and nonprofit organizations.

¹ Executive Order (EO) 13526 of December 29, 2009, "Classified National Security Information"

Department of Defense Request for Guidance

In response to a request from DoD, the Board continues to liaise with the DoD workgroups and assist in providing a cost-effective means to implement GAAP. As noted, DoD's efforts to implement standards have revealed areas in need of clarification or amendment. Based on a DoD request and additional research and findings, SFFAS 55, *Amending Inter-entity Cost Provisions*, was issued in FY 2018. With the issuance of SFFAS 55, there was a need to update existing technical guidance. As a result, the AAPC issued an exposure draft (ED) at the end of FY 2018 to rescind technical guidance that was no longer consistent with SFFAS 4, *Managerial Cost Accounting Standards and Concepts*.

Collaboration

The Board continues to collaborate with other standards-setting boards including GASB, which establishes accounting and financial reporting standards for state and local governmental entities in the United States; FASB, which establishes accounting and financial reporting standards for nongovernmental entities in the United States; and IPSASB, which establishes international accounting and financial reporting standards for governmental entities. Generally, such collaboration is at the staff level (for example, one staff member is currently serving on the IPSASB's heritage working group and another is serving on the infrastructure working group). In addition, one Board member also serves on the GASB and one Board member also serves on the IPSASB. To encourage international collaboration, the chair and/or executive director routinely attend the Public Sector Standard Setters Forum organized by IPSASB. This forum and other international activities provide an opportunity for attendees to learn about emerging issues, share commonalities among countries, and identify possible solutions. The forum provides all participants with information about emerging issues, which is helpful in planning future projects.

Presentations and Other Assistance

The Board and its staff continue to actively support the federal financial management community by providing education, facilitating collaboration among agencies, presenting information and ideas in journal articles, and advising others regarding federal financial accounting. Members and staff provided training through their participation in numerous international, national, regional, and local conferences sponsored by groups like the AICPA, the AGA, the IIA, the Joint Financial Management Improvement Program, and state CPA societies.

Staff continues to offer its annual half-day training event. The event provides four hours of continuing professional education (CPE) free of charge and informs the federal accounting and auditing community about FASAB's progress on key issues. In addition, staff members routinely assist federal practitioners, accounting educators, and textbook authors in answering questions regarding federal accounting.

In addition, the Board was asked to consider ways to support educational efforts. Most recently, R. Alan Perry—on detail from the GAO—developed a 4-CPE course on navigating FASAB pronouncements and the federal GAAP hierarchy, researching FASAB standards as a basis for improving financial reporting, and resolving challenging or emerging accounting issues. Mr. Perry and FASAB Assistant Director Monica Valentine are delivering the course. The course is being offered through professional associations, such as local AGA chapters, and other federal agencies. During FY 2016, FASAB Assistant Director Domenic Savini developed an IIA public-private partnership knowledge brief and related webinar presentation designed to assist federal practitioners in implementing SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*. In FY 2018, Mr. Savini co-developed another IIA knowledge brief titled *How to Successfully Audit Federal IT Systems*.

Figure 1: Outreach Activities



GOVERNANCE, OPERATIONS, AND BUDGETARY RESOURCES

Governance

The Steering Committee members continue to affirm their commitment to supporting the resource needs of the Board. The committee demonstrated this by maintaining FASAB staff levels despite ongoing budget constraints faced by all federal agencies.

Budgetary resources are reported on [page 14](#). Final FY 2019 resources are dependent upon appropriations established through the federal legislative process. The committee also provided the executive director's annual performance appraisal and established expectations.

During the fiscal year, Lisa Motley (FASAB general counsel) and James Lager (GAO deputy ethics advisor) provided members with training. General Counsel provides the training annually, which covers both ethics and Federal Advisory Committee Act requirements. Such training is helpful to update and remind members of important federal requirements and to answer questions.

In addition, the Steering Committee developed a strategy and process for selecting a new executive director for the first time in over 20 years. The committee developed an updated position description and engaged the Appointments Panel in the selection process.

The Board made no revisions to its mission statement (adopted in 2012) or its rules of procedure (adopted in 2010) during FY 2018.

Operations

Members confirm their independence and adherence to the ethics policy and complete a Board performance survey. These actions provide information needed for an annual assessment of conformance to the five AICPA criteria essential for a GAAP standards-setting body. This report summarizes the results for the public and the Appointments Panel.

Each member's survey response identifies changes—positive or negative—in the Board's performance relative to the criteria (see sidebar for the criteria). Members explain their views and offer suggestions for improvement.

In addition to these annual processes, members agree that the AICPA will be notified of any reportable events of undue influence if and when they occur. Together, these efforts serve to alert the AICPA to significant changes relevant to the established criteria and to ongoing recognition of FASAB as the GAAP standards-setting body for federal governmental entities. To date, no reportable events have occurred. Again,

OUR GOVERNANCE TEAM

The Steering Committee is composed of the chair and the members representing our sponsors. The committee annually reviews the operating budget, approves contracting activities, and provides the executive director's annual performance appraisal and expectations. The committee also participates actively in the Appointments Panel.

The Appointments Panel, established in 1999, assists the Board's sponsors in recruiting and selecting non-federal members and advises the Board regarding improvement efforts. The panel comprises the members of the Steering Committee, two representatives of the AICPA, and one representative of the Financial Accounting Foundation (FAF). The panel's assistance contributes greatly to the Board's independence and continued conformance to the criteria for a GAAP standards-setting body. The panel reviews this annual report and monitors annual performance survey results. The panel would convey any concerns to the AICPA in a timely manner.

Appointments Panel Members

D. Scott Showalter, Chair
R. Scott Bell, Treasury
Robert Dacey, GAO
F. Carter Heim, AICPA
Nancy K. Kopp, FAF
Daniel Murrin, AICPA
Timothy Soltis, OMB

FASAB General Counsel

Lisa Motley

FASAB Executive Director and Designated Federal Official

Wendy Payne

this year all members confirmed they conformed to the requirements regarding independence, ethics, and reporting undue influence.

Further, member survey results identified some areas of improvement from last year, particularly regarding comprehensiveness and consistency. Because of the need to address classified activities during the year, the Board developed processes consistent with both the existing due process requirements and national security requirements. The resulting due process appropriate to classified information afforded the Board access to input from cleared stakeholders and afforded cleared stakeholders the opportunity to participate in developing standards. Nonetheless, such changes warrant careful attention over time to ensure proper balance between open deliberation and protection of classified information.

Members suggested and staff will address the following:

- Efficiencies resulting from increased between-meeting input to staff were welcome, and discussion at meetings of the input received will be encouraged.
- Regular educational sessions featuring multiple perspectives should continue with the potential for additional educational sessions for public members.
- Close collaboration with the broad federal community has been helpful, and such collaboration should continue to be inclusive so that differing perspectives are represented.

This year’s survey results are generally consistent with the previous four years. The Board’s most notable five-year trend was sustained quality in the areas of comprehensiveness and consistency, knowledge of members and staff, and due process.

For the remaining two criteria (domain and authority and financial resources), the survey solicits narrative responses for ideas for improvement. Some members noted that the Board relied upon collaboration with volunteers to efficiently meet objectives and that additional resources for improved technology would be helpful. Most did not believe the staff size was preventing the Board from making progress on its agenda. The use of task forces and staff on-loan from other agencies allows the Board to make progress on its priorities.

AICPA CRITERIA FOR A GAAP STANDARDS-SETTING BODY

Independence: The body should be independent from the undue influence of its constituency.

Due Process and Standards: The body should follow a due process that is documented and open to all relevant aspects or alternatives. The body’s aim should be to produce standards that are timely and that provide for full, fair, and comparable disclosure.

Domain and Authority: The body should have a unique constituency not served by another existing Rule 203 standard-setting body. Its standards should be generally accepted by its constituencies.

Human and Financial Resources: The body should have sufficient funds to support its work. Its members and staff should be highly knowledgeable in all relevant areas.

Comprehensiveness and Consistency: The body should approach its processes comprehensively and follow concepts consistent with those of existing Rule 203 standard-setting bodies for analogous circumstances.

ANNUAL CONFIRMATION PROVIDED BY EVERY MEMBER

Independence: I acknowledge that I have neither personal nor external impairments that will keep me from objectively reaching independent conclusions on matters under consideration by FASAB, nor did I during the preceding fiscal year. I will promptly notify the Chair if my independence is or may be impaired.

Ethics: I have reviewed the FASAB ethics policy and confirm that I satisfied all requirements and limitations established under the policy during the preceding fiscal year.

Undue Influence: I have notified the Chair of any and all matters that I judge to be undue influence. “Undue influence” is defined as external influences or pressures that impact a member’s ability to objectively reach and/or communicate independent conclusions.

Budgetary Resources

Actual funding levels are dependent on final FY 2019 appropriations and will be determined after appropriations are provided to each of the Board's sponsors. Table 1, *Budget 2016-2019*, presents budget resources used from FY 2016 through FY 2018, as well as anticipated resources for FY 2019.

	2016 (actual)	2017 (actual)	2018 (actual)	2019 ² (budget)
Salaries and Benefits	\$1,631.4	\$1,682.4	\$1,742.6	\$1,799.5
Member Compensation	154.2	161.0	164.5	158.6
Travel	49.6	41.6	40.4	45.0
Education & Training	8.2	9.6	8.7	9.5
Consultants & Other	76.5	78.1	80.1	81.8
Total	\$1,919.8	\$1,972.6	\$2,036.3	\$2,094.4

(Amounts may not total correctly due to rounding.)

² Actual funding levels for final FY 2019 appropriations will be determined after appropriations are provided to each of the Board's sponsors.

Three-Year Plan for the Technical Agenda

The Board's three-year plan should help those who use, prepare, and audit financial reports to participate fully in the standards-setting process and plan for changes in GAAP.

In February 2019, the Board will discuss priorities and make needed adjustments to this plan. Your assistance in identifying areas needing attention would be very helpful in that discussion. FASAB would greatly appreciate receiving such input before January 23, 2019. In addition to direct responses to this plan, we will conduct online surveys. Please watch for details announced through the FASAB listserv.

The Board prioritizes projects based on the following factors:

- The likelihood a potential project will significantly contribute to meeting the Operating Performance and Stewardship reporting objectives established in SFFAC 1, *Objectives of Federal Financial Reporting*
- The significance of the issue relative to meeting reporting objectives
- The pervasiveness of the issue among federal entities
- The potential project's technical outlook and resource needs

Individual members also consider additional factors that they deem significant in planning the technical agenda:

- A focus on citizens and citizen intermediaries as the primary users of the consolidated financial report of the U.S. Government
- Attention to the needs of Congress and program managers
- Effects on preparers and auditors due to declining real budgets
- Increasing risks due to fiscal uncertainty and operational complexity
- Increased electronic reporting and availability of relevant information in sources other than financial reporting

With each annual review, the Board identifies its priorities so that research can begin when resources are available. Projects identified as priorities but not active on the Board's agenda are "research projects." Your input regarding the scope of each research project and its key issues is welcome.

The three-year plan in brief begins on page 16 and is followed by a project plan for each active project. The Board's research projects are then identified with a brief description. The final item in the technical agenda section is a list of potential projects considered by the Board.

You are welcome to submit suggestions on any aspect of this material or any ideas not presented herein.

If you have suggestions regarding the three-year plan, please submit them by email to:

fasab@fasab.gov

or in hard copy to:

Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW
Suite 1155
Washington, DC 20548

Table 2: Three-Year Plan in Brief

Project and Objective	FY 2018 Actions	Plans		
		FY 2019	FY 2020	FY 2021
<p>Financial Reporting Model Consider whether the existing model meets user needs and reporting objectives and improve the government-wide and component entity financial reporting models</p>	<p>Finalized concepts Phase I – continued developing near-term opportunities for improving user access to relevant information, including analysis Phase II – facilitated development of a demonstration model with the assistance of a task force</p>	<p>Develop and finalize phase I standards on MD&A and stewardship investments Continue phase II – performance reporting research, illustrative reporting models, and discrete projects as determined</p>	<p>Identify and pursue specific standards as needed to align practice with the illustrative reporting models</p>	<p>Identify and pursue specific standards as needed to align practice with the illustrative reporting models</p>
<p>Leases Evaluate existing standards to improve comparability and completeness of reporting</p>	<p>Finalized standards</p>	<p>Develop implementation guidance and educational resources</p>	<p>Finalize implementation guidance and educate the community</p>	
<p>Risk Reporting Develop standards so that information is available about risks assumed by the federal government and their potential financial effects</p>	<p>Considered phase II options and proposals</p>	<p>Develop and release phase II ED on MD&A and risk disclosure principles. Prepare Phase I implementation guidance as needed.</p>	<p>Finalize standards</p>	
<p>Public-Private Partnerships Consider how financial reporting objectives are met regarding public-private partnerships (disclosure requirements are effective in FY2019)</p>	<p>Monitored technical inquiries to determine if implementation guidance is needed and continued educational efforts Formed a P3 inter-agency implementation work group</p>	<p>Phase II – recognition and measurement: develop and issue ED</p>	<p>Phase II – recognition and measurement: finalize guidance</p>	
<p>Department of Defense (DoD) Implementation Guidance Request</p>	<p>Continued participating with the DoD workgroups/ assess new areas</p>	<p>Continue participating with the DoD workgroups/ assess new areas</p>		
<p>Accounting and Reporting of Government Land Consider options for improving the comparability of land information</p>	<p>Issued an ED</p>	<p>Finalize standards</p>		

Project and Objective	FY 2018 Actions	Plans		
		FY 2019	FY 2020	FY 2021
<p>Evaluation of Existing Standards Identify areas for improvement in existing requirements</p>	<p>Finalized standards regarding imputed cost and issued an ED updating related technical guidance</p> <p>Completed technical guidance regarding:</p> <ol style="list-style-type: none"> 1. Intragovernmental exchange transactions 2. Assigning assets 3. Clarification of paragraphs 40-41 of SFFAS 6 <p>Developed a draft Interpretation for selected liabilities and identified conforming amendments to related technical guidance</p>	<p>Issue ED for liabilities involving multiple reporting entities and finalize the Interpretation</p> <p>Make conforming changes to related technical guidance</p> <p>Research intragovernmental receivables and issue guidance as needed</p> <p>Identify other standards to evaluate</p>	<p>Ongoing research</p>	
<p>Note Disclosures Establish concepts to support decisions regarding disclosures and improve disclosure requirements</p>	<p>Formed working group and started research on a principle framework</p>	<p>Issue ED on the principle framework</p> <p>Start research on amendments to the standards</p>	<p>Finalize principle framework</p> <p>Issue ED for changes to disclosure requirements</p>	<p>Finalize guidance</p>
<p>Materiality Clarify and improve concepts relating to materiality</p>	<p>Developed proposed concepts regarding materiality</p>	<p>Consider comments on proposed concepts and finalize concepts</p>		
<p>Classified Activities Address concerns regarding potential disclosure of classified information</p>	<p>Issued proposal and finalized standards</p> <p>Developed related Interpretation and reviewed responses to the ED</p>	<p>Finalize the Interpretation and consider whether implementation guidance is needed</p>		

Current Projects

THE FINANCIAL REPORTING MODEL

Purpose:

The Board undertook this project because of increased demands for financial information for decision making and accountability and changes in the way users access information. Our research has noted the following:

- Decision makers are seeking information on the full cost of programs and their operating performance, and citizens are accessing detailed information on spending, such as who received federal funds through grants and contracts and what was accomplished with those funds.³
- Decision makers desire additional information about the budget, including comparisons of full costs with the budget and projections of future receipts and expenditures.
- Citizens expect financial information about component entities, but they have difficulty understanding current financial reports.⁴
- The public relies increasingly on electronic media (digital devices, complex networks, and interactivity) to obtain information on demand⁵ and drill-down to different levels of disaggregated data. Also, executives and senior managers expect improved data analysis.

The Board will consider how developments in electronic reporting relate to GAAP as well as opportunities to support improvements in electronic reporting. Through this project, the Board will monitor the work of others such as the AICPA's project regarding auditing information containing hyperlinks.

Applicability:

This project applies to the government-wide reporting entity and to component reporting entities that prepare and present GPFRRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Any conceptual guidance developed as a result of the project will guide the Board's development of accounting and reporting standards. Knowledge of the concepts that the Board considers should help users and others who are affected by or interested in federal financial accounting and reporting standards. As a result of this guidance, these groups should be able to understand the purpose and qualitative characteristics of information that should be provided by federal financial accounting and reporting.

Objectives:

During the initial stage of the project, the Board determined the information that would be helpful for making decisions, demonstrating accountability, and achieving the reporting objectives. Currently, given the focus on external user needs for integrated budget, cost, and performance information, the effort will focus on external financial reports and may address the following matters:

- a) Improvements in the usefulness—including the understandability—of cost and budget information as well as the relationship between cost and budget information
- b) Factors to consider in
 - i. identifying the type and level of disaggregation (organizational, program, goals, objectives, functions) of most interest to external users;

³ Preparers Focus Group Discussion, February 10, 2009.

⁴ FASAB, *User Needs Study: Citizens*, April 2010.

⁵ FASAB Reporting Model Task Force, *Report to the FASAB*, December 22, 2010.

- ii. determining when trend information is needed and for how long; and
- iii. selecting among a variety of presentation types or formats including consideration of the relationship of cost and budget information.
- c) Identification of cost and budget information useful for performance reporting—that is, optimum points for connecting budget, cost, and performance information
- d) Understandability of terminology and presentations including the relationship among statements
- e) Identification of key terms and establishment of plain language explanations

Assigned staff: Ross Simms

Other resources: Staff engaged a task force to help accomplish the overall project objectives. Staff also enlisted the National Academy of Public Administration to conduct structured interviews of federal executives and senior managers to determine how they use financial and related information, identify the gaps that might affect their ability to manage effectively, and determine opportunities to close these gaps. Optional resources include access to web-based meeting software like Webex to reduce meeting logistics issues and permit wide participation.

Phase I Project page: <http://www.fasab.gov/reporting-model-phase-i/>

Phase II Project page: <http://www.fasab.gov/reporting-model-phase-ii/>

Timeline: **FY2019**

- Develop and finalize guidance for improving user access to information (phase I)
- Continue phase II – performance reporting research and illustrative reporting models
- Continue discrete projects as determined

RISK REPORTING

Purpose: The Board has undertaken this multi-phased project because the current risk assumed standards in SFFAS 5, *Accounting for Liabilities of the Federal Government*, were limited to insurance contracts and explicit guarantees (other than loan guarantees); therefore, they may not have resulted in full disclosure of the significant risks assumed by the federal government.

To meet the Stewardship and Operating Performance objectives of federal financial reporting,⁶ it is important that the federal government report significant risks assumed and not just the risks related to insurance contracts and explicit guarantees.

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that prepare and present GPFGRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Objectives: The issuance of SFFAS 51, *Insurance Programs*, on January 18, 2017, effectively concluded the first phase of risk reporting.

In phase II (RA2), the Board will determine how to provide concise, meaningful, and transparent information regarding the potential effect to the fiscal health of the federal government.

In FY 2018, based on the results of outreach to users, the Board decided to change the project name to “risk reporting” and is considering ways to integrate risk reporting information in MD&A and measurement uncertainty of estimates in disclosures.

⁶ SFFAC 1, *Objectives of Federal Financial Reporting*, par. 100, 122, and 141.

Assigned staff: Robin Gilliam
 To develop risk reporting standards, Ms. Gilliam is collaborating with the reporting model phase I: MD&A and stewardship investments improvements and note disclosures projects.

Other resources: Staff may organize a multi-disciplinary task force, including sub-groups to address specific topics within each phase.
 Risk Assumed – Phase II project page: <http://www.fasab.gov/risk-assumed-phase-ii/>
 Insurance Programs archived project page: <http://www.fasab.gov/ra-insurance-programs/>

Timeline: **July 2018 – September 2019**

- Prepare phase I implementation guidance as needed
- Develop and finalize phase II ED
- Hold public hearing as needed

FY 2020 – FY 2021

- Release and finalize Phase II Statement
- Determine whether the project objectives were met and the project is complete

PUBLIC-PRIVATE PARTNERSHIPS

Purpose: FASAB added this dual-phased project to the agenda because federal agencies have increasingly turned to P3s to accomplish their goals. Budget pressures are likely to further increase the use of P3s. The overall objective of the project is to make the full costs and risks of such partnerships transparent.

In phase I, the Board decided to address definitions and disclosures regarding risk before providing recognition and measurement guidance in phase II. On April 27, 2016, the Board concluded its first phase with the issuance of SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, effective for periods beginning after September 30, 2018.

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that prepare GPFRRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Objectives: Objectives of phase II—recognition and measurement—include the following:

- a) Providing guidance for the recognition and measurement of
 - assets and liabilities
 - revenues and expenses
- b) Considering implications for other arrangements related to P3s (sale-leaseback or other long-term arrangements)

Assigned staff: Domenic Savini

Other resources: Staff organized a multi-disciplinary task force, including sub-groups to address specific topics.
 Project page: <http://www.fasab.gov/public-private-partnerships/>

Timeline: **Phase II:**
October 2018 – February 2019

- Convene task force to confirm, analyze, and address major P3 accounting practice issues requiring guidance

- Coordinate progress and results with the leases and risk reporting project managers

March 2019 – August 2019

- Develop and issue ED(s)

September 2019 – March 2020

- Review entity P3 disclosures
- Pursue final guidance

DEPARTMENT OF DEFENSE—IMPLEMENTATION GUIDANCE REQUEST

- Purpose:** DoD identified several areas of concern for the Board’s consideration in early 2014, and the Board established this project to respond to areas that warrant FASAB’s action. The first area the Board addressed was use of reasonable baseline estimates of the cost of inventory and related property. FASAB expanded the project objectives in 2015 to include estimates for real property, military equipment, and internal use software. FASAB’s continued monitoring of DoD’s implementation efforts may result in identifying additional areas in the future.
- Applicability:** This project applies to the government-wide reporting entity and to component reporting entities that prepare and present GPPFRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.
- Objectives:** Provide practical guidance through the issuance of new standards and other vehicles to resolve long-standing financial reporting issues
- Assigned staff:** Melissa Batchelor
- Other resources:** A task force supported this project. The Board recognizes that it needs active DoD participation to address these long-standing concerns.
- Timeline:** **Present – September 2018**
- Continue monitoring DoD workgroups
 - Develop or assist with implementation guidance

ACCOUNTING AND REPORTING OF GOVERNMENT LAND

- Purpose:** SFFAS 6, *Accounting for Property, Plant, and Equipment*, requires land and land rights acquired for or in connection with other general property, plant, and equipment (G-PP&E) to be capitalized at the cost incurred to bring the assets to a form and condition suitable for use. “Acquired for or in connection with other general PP&E” is defined as land acquired with the intent to construct general PP&E and land acquired in combination with general PP&E. This not only includes land used as the foundation, but also adjacent land considered to be the general PP&E’s common grounds.
- SFFAS 29, *Heritage Assets and Stewardship Land*, defines SL as land other than land acquired for or in connection with other general PP&E. It is expensed when acquired and requires disclosures regarding policies for land management, categories of land, and physical quantity information.
- Implementation of the above requirements has resulted in significant differences in accounting treatment for land holdings. Because the land acquired during our nation’s formation is sometimes used in connection with other general PP&E, it is not generally valued as would be G-PP&E land acquired for similar purposes. That is, G-PP&E only includes land and land rights with an identifiable cost that was specifically acquired

for or in connection with construction of G-PP&E. Further, debate exists over the most appropriate way to account for and report land. Issues have led to the following questions:

- Should information on land regardless of its classification as G-PP&E land or SL be consistently accounted for and reported?
- Is currently reported information consistent with reporting objectives and qualitative characteristics?
- Given that cost information (that is, acquisition/historical costs) for capitalized land (G-PP&E) remains unchanged, should consideration be given to either (1) valuing land periodically at re-measured amounts (such as fair value) or (2) providing non-financial measures (such as acreage) instead?

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that prepare and present GPPFRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board (FASB)*.

Objectives: Specific objectives include the following:

- a) Understanding how the predominant use or managerial intent influences the information needs of users and, potentially, the importance of the reporting objectives (for example, identifying the most appropriate reporting objective)
- b) Identifying the measurement attribute(s) and/or non-financial attributes most appropriate for meeting the reporting objectives
- c) Assessing practical limitations of the selected measurement attributes or non-financial attributes (for example, whether “highest and best use” when considering fair value is appropriate for government and assessing the cost-benefits when determining where non-financial information should reside)
- d) Obtaining agency feedback and best practices relevant to assessing the cost-benefit associated with options under consideration
- e) Recommending recognition, measurement, and disclosure requirements

Assigned staff: Domenic N. Savini

Other resources: A task force supports this effort.

Timeline:

August 2018 – December 2018

- Review responses to the ED

May – October 2018

- Finalize and issue standards

EVALUATION OF EXISTING STANDARDS

Purpose: A general concern expressed by members of the Board and the federal financial management community has been that resources are increasingly constrained. Because of competing demands, some believe existing requirements should be evaluated and any unnecessary requirements eliminated. When appropriate, the Board explores opportunities for burden reduction by considering feedback from the community on changes to existing standards and areas where clarification may be needed.

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that prepare and present GPPFRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Objectives: Project objectives include being responsive to requests for guidance, especially for requests that meet the above purpose and benefits clearly exceed costs. To accomplish these goals, ongoing efforts may include providing additional forums for preparers, auditors, and users to identify requirements they believe are unnecessary (this can be accomplished through an open-ended written request for input or roundtable discussions). The Board will assess requests against the reporting objectives. The Board may address these requests through the appropriate level of GAAP guidance.

Specific areas for the Board to consider include

- **Assigning liabilities** – Liabilities arising from government-related events may be caused by one component of a large department but paid for by another component. There is presently no authoritative guidance to aid management in deciding which component should report each liability.
- **Intragovernmental receivables** – Guidance regarding when an allowance for uncollectable intragovernmental receivables would be appropriate was requested. The Board will consider factors to consider and provide guidance as appropriate.

Assigned staff: Melissa Batchelor

Other resources: TBD

Timeline: The project will be ongoing; each issue area will have its own timeline.

April 2018 – July 2019

(Assigning liabilities issue)

- Research & develop ED
- Due process
- Issue final Interpretation
- Make conforming changes to related technical guidance

November 2018 - July 2019

(Intragovernmental receivables issue)

- Research & develop draft
- Issue guidance as needed

February 2019 – September 2020

- Identify other standards to evaluate

MATERIALITY

Purpose: Materiality-based judgment can assist in eliminating redundancy and unnecessary disclosure in the financial statements by providing only relevant information. Currently, materiality is discussed in several Statements: SFFAC 3, *Management’s Discussion and Analysis*; SFFAS 1, *Accounting for Selected Assets and Liabilities*; and SFFAS 3, *Accounting for Inventory and Related Property*. The guidance, however, lacks clarity, detail, and logical organization. As such, the purpose of this project is to update the materiality guidance to assist preparers in making materiality judgments and improving disclosures.

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that present GPFRRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Objectives: The Board will identify and develop materiality concepts to provide better guidance by adding important elements, such as a discussion of users and a clearer concept of misstatement to improve clarity, detail, and organization.

Assigned staff: Grace Wu

Timeline: **September 2018 – January 2019**

- Research & develop ED
- Due process
- Issue GAAP document

NOTE DISCLOSURE

Purpose: Generally, note disclosures are established in each SFFAS. The general purpose of disclosures is discussed in SFFAC 6, *Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information*; however, no framework exists to guide the establishment of disclosure requirements. The purpose of this project is to establish a framework to streamline and improve note disclosures.

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that present GPFRRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Objectives: Phase I – identify and develop a set of principles for disclosure to be used by the Board to reduce repetition and improve relevance and consistency
Phase II – use the principles developed to improve the usefulness and effectiveness of the existing NODI requirements for reporting entities

Assigned staff: Grace Wu

Other resources: A task force supports this effort.

Timeline: Phase I – Develop a framework
Phase II – Amend standards based on the disclosure requirements

September 2018 – August 2020 phase II

- Finalize and issue the phase I concepts
- Identify Statements requiring amendments
- Issue EDs for identified Statement amendments

CLASSIFIED ACTIVITIES

Purpose: The purpose of this project is to address instances for which reporting in accordance with existing standards might reveal classified information.

Applicability: This project applies to the government-wide reporting entity and to component reporting entities that prepare and present GPFRRs in conformance with SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*.

Objectives: Identify acceptable techniques for preventing the disclosure of classified information that might otherwise be revealed in GPFRRs

Assigned staff: Monica Valentine and Ross Simms

Timeline: **August 2018 – December 2018**

- Research & develop ED
- Due process
- Issue GAAP document

RESEARCH PROJECT

In response to feedback on the FY 2017 three-year plan, the Board identified educational efforts as its next new effort. The community's interest in additional educational resources was apparent from the responses to the survey and input from our federal members. While the Board recognizes that such efforts will divert resources from standards-setting activities, it also recognizes that it is uniquely positioned to assist in this area.

Educational resources for appointed CFOs and others new to federal financial accounting may be lacking. The Board can take a leadership role in the development of educational materials, but input from the community and other stakeholders would greatly enhance the final materials. Such materials might include

1. videos on significant topics such as lease accounting and
2. guides addressing appropriate information for credit program notes and MD&A text.

Educational resources for agency and inspector general staff also may be helpful. FASAB staff currently provide an annual four-hour update on active projects. Other topics may include

1. standards to be implemented in the next one- to two-year period;
2. complex standards unique to the federal government such as direct loans and loan guarantees;
3. the federal GAAP hierarchy and how to research issues;
4. accounting for PP&E; and
5. data for improving entity and program performance (covering topics such as techniques for gathering, reporting, and using cost and non-financial data to drive efficiency improvements).

As this project evolves, the Board expects to leverage its resources by collaborating with others. To plan for this effort, your feedback is needed. Please provide feedback on the importance of the above topics as well as other topics for which educational efforts would be helpful.

Potential Projects

After considering factors that may influence project priorities, the Board begins its planning by reviewing potential projects identified by the executive director. Note that the list accumulates over time. Generally, FASAB removes potential projects if the issue has been addressed through other projects, is not appropriate for resolution through accounting standards or concepts, or is unlikely to be a significant problem in the future.

During FY 2018, the Board identified additional educational efforts as a high priority. To plan for additional educational efforts, the Board has identified several potential areas in the description on [page 25](#). Please provide your input on priorities among these potential areas as well as the potential projects identified below.

Stakeholders are encouraged to contact the executive director to suggest potential projects or to provide insight regarding the potential projects identified here. Instructions for submitting comments are presented on [page 15](#).

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ASSET RETIREMENT OBLIGATIONS

In some circumstances, entities may be required to incur costs to retire assets. The Board has established general standards for liability recognition and specific standards for liabilities associated with environmental cleanup (in SFFAS 5, *Accounting for Liabilities of the Federal Government*, and SFFAS 6, *Accounting for Property, Plant and Equipment*, respectively). However, there is no specific guidance regarding asset retirement obligations other than cleanup costs (for example, hazardous materials required by law to be cleaned up), and the Board has not considered whether asset retirement obligations meet the definition of a liability established in SFFAC 5, *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements*. GAAP for the private sector includes specific guidance regarding asset retirement obligations developed since the issuance of SFFAS 6. Accounting Standards Codification 410-20, *Asset Retirement Obligations* (formerly Financial Accounting Standards Statement No. 143, *Accounting for Asset Retirement Obligations* [issued 6/01]) requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. This creates three inconsistencies between entities following federal GAAP and those following FASB's GAAP. First, certain liabilities recognized under FASB standards would not be recognized in the federal sector. Second, FASB standards require that liabilities be recognized in full when the obligation occurs, while FASAB standards provide for incremental recognition so that the full liability is recognized at the end of the useful life of the asset requiring environmental cleanup. Third, the asset retirement costs are added to the total cost of the asset under FASB standards and are not in the federal sector; instead, these costs are expensed as the liability is recognized.

CLEANUP COSTS – EVALUATING EXISTING STANDARDS

SFFAS 6, *Accounting for Property, Plant and Equipment*, addresses cleanup costs. Like asset retirement obligations, there are questions regarding existing standards for cleanup costs. These questions include the following:

1. Are the existing liability recognition provisions consistent with the definition established in SFFAC 5?
 - a) The liability may be understated because the obligation is to clean up the entire hazardous waste, but SFFAS 6 provides for a gradual buildup of the liability balance as the related PP&E is consumed in service (the full cleanup cost is disclosed in a note).
 - b) The cost of PP&E may be understated because the SFFAS 6 requirement is to capitalize its acquisition cost; the later cost to retire the asset is excluded.
 - c) The scope of liability recognition is limited to costs to clean up hazardous substances rather than the full asset retirement obligation.
2. Are current requirements cost beneficial?
3. Do disclosures adequately address measurement uncertainty?
4. Do disclosures reveal the factors that may cause cleanup costs to exceed estimates as noted in the GAO's 2017 High Risk List?

In its 2017 High Risk List, GAO added the Government's environmental liability. It summarized current accounting standards and noted that the ultimate costs of clean up are likely greater than the recognized amount:

Federal accounting standards require agencies responsible for cleaning up contamination to estimate future cleanup and waste disposal costs and to report such costs in their annual financial statements as environmental liabilities. Per federal accounting standards, federal agencies' environmental liability estimates are to include probable and reasonably estimable

costs of cleanup work. Where the federal government is not legally responsible for environmental cleanup, but acknowledges that it will assume financial responsibility for the cleanup, a liability is recorded for unpaid amounts due, not necessarily the full cost of cleanup. Also, where the government is legally responsible for environmental cleanup but there is no known technology to clean up a particular site, then known costs for which the entity is responsible, such as a remedial investigation, feasibility studies, and costs to contain the contamination, are recorded as a liability. Further, federal agencies' environmental liability estimates do not include cost estimates for work for which reasonable estimates cannot currently be generated. **Consequently, the ultimate cost of addressing the U.S. government's environmental cleanup is likely greater than \$447 billion. Federal agencies' approaches to addressing their environmental liabilities and cleaning up the contamination from past activities are often influenced by numerous site-specific factors, stakeholder agreements, and legal provisions. [emphasis added]**

CONCEPTUAL FRAMEWORK – REVIEW AND FINALIZATION

The Board recently completed several new components of its conceptual framework. The framework has been improved to

- a) describe the nature and limits of federal financial reporting including the boundaries of the federal reporting entity,
- b) identify reporting objectives,
- c) define the elements critical to meeting financial reporting objectives and describe the statements used to present elements,
- d) identify means of communicating information necessary to meeting objectives and describe when a particular means should be used, and
- e) enable those affected by or interested in standards to understand better the purposes, content, and characteristics of information provided in federal financial reports.

During FY 2019, the Board anticipates completing concepts regarding materiality and disclosure principles as well as a review of MD&A concepts. Because of the phased approach to the framework and the many years of effort involved, the Board envisioned a review of the resulting concepts to ensure consistency across the framework and to confirm its coverage is comprehensive.

If this review were to be undertaken, the Board would review its framework and ensure it covers the topics it should and is internally consistent.

DATA QUALITY AND INTEGRATION

Open data websites such as USASpending.gov increasingly allow users to explore and analyze detailed account and transaction level budget information. Interactive visualizations provide context for budget information, and disaggregations of budget information across multiple dimensions facilitate analysis. Open data websites provide users with substantial capacity to access, view, and use information, but concerns about data quality have been identified.

SFFAC 8, *Federal Financial Reporting*, in part, describes the relationship of other reported financial and non-financial information (ORNFI) to financial statements as follows:

30. There may be limitations to ORFNI. For instance, ORFNI
 - a. may lack exposure to the same level of internal controls as financial statements and RSI,
 - b. may lack consistency with GAAP standards for financial statements and RSI,
 - c. may not meet the qualitative characteristics of financial statements and RSI, and/or
 - d. may not be subject to certain procedures required by GAGAS.

31. Multiple methods of presentation may help facilitate user needs. For example, financial statements, RSI, and ORFNI may be presented in a hierarchical structure that permits users to review both highly aggregated data and disaggregated data. The different levels of data help provide users with the information at levels of specificity relevant to their particular needs. For example, users may drill-down from the government-wide reporting entity's financial statements to ORFNI in schedules provided by a component reporting entity.

This research project would explore reporting options to relate highly aggregated audited financial statement information to data provided in disaggregated open data websites. Such relationships could facilitate data quality improvements, validate, or where necessary, improve data linkages, increase the relevance of intermediate aggregations of data, and enhance its informative value.

DISTRIBUTED LEDGER TECHNOLOGY

As the use of block chain technology for distributed ledgers increases, important opportunities and questions may arise for federal entities. Some predict that fundamental aspects of accounting, such as how records are maintained, will change. If this project were undertaken, the Board would address the effect of this emerging technology on accounting and financial reporting.

ELECTROMAGNETIC SPECTRUM

The Federal Communications Commission (FCC) manages the electromagnetic spectrum—a renewable natural resource excluded from coverage in TB 2011-1, *Accounting for Federal Natural Resources Other Than Oil and Gas*. The TB requires entities to report the federal government's estimated royalties and other revenue from federal natural resources that are (1) under lease, contract, or other long-term agreement and (2) reasonably estimable as of the reporting date in required supplementary information (RSI).

Regarding the electromagnetic spectrum, the FCC's goal is to ensure efficient allocation and management of assets that the government controls or influences, such as spectrum, poles, and rights-of-way, to encourage network upgrades and competitive entry.

This project would consider information needed to allow citizens to monitor the management of this asset. The asset is not addressed by other accounting standards at this time.

FINANCIAL/ECONOMIC CONDITION

The Board provided standards⁷ regarding fiscal sustainability reporting; however, a broader focus on financial condition might result in additional reporting, such as key indicators of financial condition at the agency or government-wide level.

Questions such as the following could be addressed in the project:

- What key financial ratios are useful in assessing the financial health of the entity?
- What information about the tax system is viewed as an indicator of financial health (for example, tax gap, tax expenditures, changes in the tax base/structure)?
- Is cost trend information needed at disaggregated levels (for example, trends in construction costs for capital intensive operations or personnel costs for labor intensive operations)?
- Are there external reports/measures that should be reported, such as rating agency reports regarding sovereign nations?
- Are benchmarks against other nations/departments needed?
- Are measures of risk due to inter-governmental financial dependency needed?

⁷ See SFFAS 36, *Comprehensive Long-term Projections for the U. S. Government*.

HIERARCHY OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

SFFAS 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*, provides a four-level hierarchy of GAAP. It preserved the long-standing and common practices of all U.S. accounting standards-setting bodies at the time it was issued in 2009. Since then, the FASB and GASB have revised their GAAP hierarchies. Each reduced the number of levels. In doing so, they reviewed due process requirements for each source of guidance (for example, Statements, Interpretations, Technical Bulletins, and implementation guidance) as well as sources of guidance for areas not addressed in a specific pronouncement.

The purpose of this potential project would be to review the four-level GAAP hierarchy to identify and resolve problems experienced in its application. For example, the review might evaluate the following:

- The appropriateness of due process requirements
- The relationship between and experience of preparers and auditors using the four levels of guidance
- The clarity of the four levels of guidance from the perspective of the preparer and auditor community
- The role of concepts

INTANGIBLES

FASAB standards do not address intangible assets other than internal use software. Staff has been contacted by a few individuals with respect to intangibles, such as census data and rights to use of inventions. The GASB standards on *Accounting and Financial Reporting for Intangible Assets* are described as follows on the GASB website:

[GASB] Statement No. 51 identifies an intangible asset as having the following three required characteristics:

- It lacks physical substance—in other words, you cannot touch it, except in cases where the intangible is carried on a tangible item (for example, software on a DVD).
- It is nonfinancial in nature—that is, it has value, but is not in a monetary form like cash or securities, nor is it a claim or right to assets in a monetary form like receivables, nor a prepayment for goods or services.
- Its initial useful life extends beyond a single reporting period.

The Statement generally requires intangible assets to be treated as capital assets, following existing authoritative guidance for capital assets, although certain intangible assets are specifically excluded from the scope of the Statement. One key exclusion relates to intangible assets that are acquired or created primarily for the purpose of directly obtaining income or profit. Such intangible assets should be treated as investments. The standards also provide guidance for issues specific to intangible assets. For instance, to report the historical cost of an intangible asset in the financial statements, the asset has to be *identifiable*. That means that the asset is *separable*—the government can sell, rent, or otherwise transfer it to another party. If it is not separable, the asset has to arise from contractual or other legal rights, such as water rights acquired from another government through a contract that cannot be transferred to another party.

The purpose of this project would be to provide define “intangibles” and develop comprehensive guidance on accounting for intangibles.

LONG DURATION ACQUISITION CONTRACTS

The need for disclosures regarding complex, long-duration acquisition contracts may exist. Disclosures regarding P3s address certain long-duration contracts. However, other long-duration contracts may exist that are not considered partnerships. Such contracts may still involve significant risk that amounts

invested to date might not result in assets that deliver expected service levels or that those service levels cannot be achieved without spending significantly more money than had been initially expected. Where significant risk is identified, information regarding the contracts goals, expected cost, and progress may be important to meeting federal financial reporting objectives. Evaluating the management of assets—including acquisition of critical new assets—supports an assessment of Operating Performance.

GAO’s 2017 High Risk Report highlighted the risks inherent in long-duration acquisition contracts. GAO identified the following relevant risks:

- **Improving the Management of IT Acquisitions and Operations** – “Federal IT investments too frequently fail or incur cost overruns and schedule slippages while contributing little to mission-related outcomes ... the federal government has spent billions of dollars on failed IT investments. These investments often suffered from a lack of disciplined and effective management, such as project planning, requirements definition, and program oversight and governance. In many instances, agencies have not consistently applied best practices that are critical to successfully acquiring IT.”
- **DOD Weapon Systems Acquisition** – “The Department of Defense (DOD) expects to invest \$1.4 trillion (fiscal year 2016 dollars) to develop and procure its portfolio of 79 major defense acquisition programs. Congress and DOD have long sought to improve how major weapon systems are acquired, yet many DOD programs fall short of cost, schedule, and performance expectations, meaning DOD pays more than anticipated, can buy less than expected, and, in some cases, delivers less capability to the warfighter. With the prospect of slowly-growing or flat defense budgets for years to come, DOD must get better returns on its weapon system investments and find ways to deliver capability to the warfighter on time and within budget.”
- **DOD Business Systems Modernization** – “...DOD spends billions of dollars each year to acquire modernized systems that are fundamental to achieving its business transformation goals, including systems that address key areas such as personnel, financial management, health care, and logistics. While DOD’s capacity for modernizing its business systems has improved over time, significant challenges remain. These challenges include fully defining and establishing management controls for business systems modernization. Such controls are vital to ensuring that DOD can effectively and efficiently manage an undertaking with the size, complexity, and significance of its business systems modernization, and minimize the associated risks. DOD’s effort to modernize its business systems environment has been designated as high risk since 1995.”
- **NASA Acquisition Management** – “The National Aeronautics and Space Administration (NASA) plans to invest billions of dollars in the coming years to explore space, understand Earth’s environment, and conduct aeronautics research. We designated NASA’s acquisition management as high risk in 1990 in view of NASA’s history of persistent cost growth and schedule delays in the majority of its major projects. Our work has shown that NASA has made progress over the past 5 years in a number of key acquisition management areas, but it faces significant challenges in some of its major projects largely driven by the need to improve the completeness and reliability of its cost and schedule estimating, estimating risks associated with the development of its major systems, and managing to aggressive schedules.”

This project would explore what additional information would be helpful in monitoring long duration acquisition contracts and assessing the effectiveness of their management.

NATURAL RESOURCES

FASAB issued SFFAS 38, *Accounting for Federal Oil and Gas Resources*, on April 13, 2010, and it was effective for periods beginning after September 30, 2012. It requires the value of the federal government’s estimated petroleum royalties from the production of federal oil and gas proved reserves to be reported in a schedule of estimated federal oil and gas petroleum royalties. In addition, it requires the value of

estimated petroleum royalty revenue designated for others to be reported in a schedule of estimated federal oil and gas petroleum royalties to be distributed to others. The reporting entity provides these schedules in RSI as part of a discussion of all significant federal oil and gas resources under management by the entity.

It was the Board's intent that the information required by the Statement transition to basic information after being reported as RSI for a period of three years. Prior to the conclusion of the three-year RSI period, the Board planned to decide whether such information should be recognized in the financial statements or disclosed in notes. The information will remain RSI until such time a determination is made.

The purpose of this project would be to consider the results of the RSI reporting requirements and develop standards regarding any transition of information to basic information.

NONMONETARY TRANSACTIONS

SFFAS 6, *Accounting for Property, Plant, and Equipment*, provides that fair value be the basis of accounting for exchanges of PP&E. SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, also provides that fair value be the basis for recognizing donated, transferred, and exchanged nonmonetary assets. Despite this guidance, the Board receives technical inquiries regarding nonmonetary transactions, and some evidence exists that nonmonetary transactions are increasing. This project would consider whether existing guidance is adequate and consistent. In addition, the Board would consider whether guidance on fair value measurements is needed.

PUBLIC SECTOR SPECIFIC FINANCIAL INSTRUMENTS

The IPSASB is addressing public sector specific financial instruments. These include the following:

- Currency in circulation
- Monetary gold
- International Monetary Fund quota subscription and special drawing rights

In July 2016, the IPSASB issued a consultation paper regarding these central government specific activities. FASAB has not addressed such activities. As the IPSASB project progresses, FASAB may consider whether there is a need to address these activities and discuss the lessons learned from the IPSASB project. The IPSASB expects to complete standards by 2021.

RESEARCH AND DEVELOPMENT

Research and development (R&D) expenditures are included as part of gross costs in the statement of net cost and are presented as required supplementary stewardship information. The amounts presented include both direct R&D spending by agencies and spending that supports non-federal R&D. Generally, staff has found that FASB standards for R&D are referenced to determine what qualifies as R&D (for example, to identify when to begin capitalizing costs as new assets are developed). Certain federal assets, particularly military equipment, undergo an extensive period of development including testing and evaluation. There is presently little guidance regarding the distinction between capitalizable acquisition costs and expensed R&D costs.

Given the significant federal investment in R&D, the unique nature of federal assets such as military equipment, and the potential for diverse practices across the many federal component reporting entities, a review of practices in this area may be warranted. The review would aid in determining if guidance applicable to the federal sector is needed and in developing any needed guidance.

REVENUE (Exchange and Non-Exchange)

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, provides guidance for recognition of exchange and non-exchange revenue. In FY 2017, \$431.9 billion of exchange revenue and \$3,374.6 billion of non-exchange revenue were reported government-wide. SFFAS 7 requires disclosures, and RSI suggests other accompanying information on the following topics:

- A perspective on the income tax burden
- Available information on the size of the tax gap
- Tax expenditures related to entity programs
- Directed flows of resources related to entity programs

SFFAS 7 has not been reviewed since it became effective in FY 1998. Feedback suggests that some agencies are relying on FASB standards for more detailed guidance regarding exchange revenue recognition, and the FASB has revised these standards since the issuance of SFFAS 7. Presently, other public sector standards-setters are considering what revenue gives rise to performance obligations and how those obligations relate to recognition of revenue.

When SFFAS 7 was established, the Board acknowledged both inherent and practical limitations that made full accrual accounting for tax revenues unattainable. The basis for conclusions for SFFAS 7 notes the following:

171. At the time the Board began deliberations on this standard, accounting systems necessary to determine even the limited revenue accruals that are now required for taxes did not exist. The changes in systems required by this standard are limited to those necessary to mirror the established assessment processes. The Board understands that the Internal Revenue Service is attempting to improve its collection function and the related management information systems. Because such systems must also provide accounting information, the Board decided not to impose accounting standards at this time that might conflict with systems changes needed to improve the efficiency and effectiveness of the collection process or go beyond the minimum changes considered necessary to enable the collecting entities to properly discharge their responsibilities.
173. In the future, the general standard for accrual as it applies to taxes and duties could be tightened to produce a fuller application of the accrual concept. For fines, penalties and donations, no accountable event precedes the recognition point established by this standard. Therefore, the general standard for recognition as it applies to these sources of revenue results in full accrual accounting for them.

A review of the revenue standards might consider general improvements that could better meet the reporting objectives. Further, the Board might consider ways to improve the understandability of the presentation of information about taxes given its work on the financial reporting model.

REVIEW OF STATEMENT OF BUDGETARY RESOURCES

Budget information and how it is presented have improved significantly since the Board developed the statement of budgetary resources (SBR). This project would entail reviewing the SBR to identify ways in which it could be modified to reflect the changes that have occurred in budget accounting and reporting. The project would likely require establishing a group of budgetary accounting experts, financial accountants, and financial statement users to review the SBR in light of these changes, the other financial statements, and the note disclosures, including the Fund Balance with Treasury note, the dedicated collections note, and the permanent indefinite appropriations note. In addition, the project could address technical corrections that need to be made to SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting* due to changes in terminology over time.

SUMMARY OR POPULAR REPORTING

Agencies are issuing summary reports of financial and performance information, and some view these as the primary report for citizen users. Staff has not explored the need for guidance or standards; however, citizens participating in focus groups provided valuable insights regarding their interests and expectations.

We want to hear from you.

Do you like this report? Do you believe it should include any other information?

Please let us know by contacting the Chairman at FASAB@FASAB.GOV or 202.512.7350.

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