



Federal Accounting Standards Advisory Board

November 25, 2020

Memorandum

To: Members of the Board
From: Melissa L. Batchelor, Assistant Director
Through: Monica R. Valentine, Executive Director
Subject: Reexamination of Existing Standards – **Tab D**¹

MEMBER ACTIONS REQUESTED:

Please review the technical plan and respond to staff questions by **December 9, 2020**.

MEETING OBJECTIVES

To discuss and approve the proposed technical plan for a reexamination of existing standards project.

BRIEFING MATERIAL

You may electronically access all of the briefing material at <http://www.fasab.gov/board-activities/meeting/briefing-materials/>.

The briefing materials include this memorandum and the proposed technical plan.

NEXT STEPS

Staff requests Board members to approve the project and proposed technical plan so that staff may proceed to the next steps. The next steps will include staff performing an assessment of existing standards and developing options for Board consideration.

¹ The staff prepares Board meeting materials to facilitate discussion of issues at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

Questions for the Board:

- 1) Do members agree with pursuing a project on reexamining existing standards in accordance with the proposed technical plan?
- 2) Do members agree with staff's next steps to perform an assessment of existing standards and develop options for Board consideration?
- 3) Do members wish to share any other observations or views regarding the project or technical plan?

MEMBER FEEDBACK

Please contact me as soon as possible to convey your questions or suggestions. Communication before the meeting will help make the meeting more productive. You can contact Ms. Batchelor by telephone at 202-512-5976 or by e-mail at batchelorm@fasab.gov with a cc to Ms. Valentine at valentinem@fasab.gov.

Reexamination of Existing Standards Project FY 2021 Technical Plan

Project Objective: This project objective is to reexamine FASAB's existing standards to assess their current relevance and to identify opportunities to streamline Board guidance.

The Board has previously stated that the accounting standards should be periodically reexamined to assess their current applicability and to eliminate or revise unnecessary requirements. For example, existing standards may need to be reassessed considering enhancements made to the Board's conceptual framework and the issuance of several new concept statements that set forth objectives and fundamentals on which financial accounting and reporting standards will be based.

More specifically, the need for reexamination is necessary to

- better manage the increased volume of guidance and the use of the FASAB Handbook;
- clarify the GAAP hierarchy;
- eliminate duplicative or overlapping disclosures;
- determine resource requirements and most efficient manner to prepare standards for codification;
- address cost-benefit implications with regard to preparer and auditor burden; and
- consider the effects of the rapidly evolving technological changes.

In this project, the Board would explore opportunities to review and reexamine existing SFFASs and other pronouncements, as appropriate, and identify areas where clarification or amendments are needed. This project would address issues related to (1) inconsistencies with current practice, (2) confusion or difficulties applying requirements, (3) need for clarifications, and (4) usefulness of disclosures and other required information.

Accounting and Financial Reporting Issues: TBD

Current Developments: If the Board agrees on the technical plan, staff will commence the research phase of the project by performing an assessment of existing standards and developing options for Board consideration. Staff will also assess the use of task forces and working groups.

Work Plan:

Board Meetings	Topics to Be Considered
December 2020	Consider project plan for Board agenda approval
January - March 2021	Staff assessment and development of potential project approach options – No Board action
April 2021	Discussion staff assessment and proposed approaches with Board. Gain Board approval of next steps
June – December 2021	TBD