



FASAB Newsletter

Federal Accounting Standards Advisory Board

April-May 2020 TABLE OF CONTENTS

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FASAB’s Response to COVID-19

Disclaimer

The staff of the Federal Accounting Standards Advisory Board publishes the FASAB newsletter following Board meetings to provide highlights of recent Board actions and issues. When an article refers to a Board decision, it should be understood that this is tentative until FASAB issues a Statement of Federal Financial Accounting Concepts (SFFAC) or Statement of Federal Financial Accounting Standards (SFFAS).

Please direct newsletter editorial questions to Leigha Kiger at 202-512-7358 or kigerl@fasab.gov.

Please direct FASAB and AAPC administrative questions to Romona Parker at 202-512-7350 or parkerr1@fasab.gov.

The Federal Accounting Standards Advisory Board (FASAB or “the Board”) shares user concerns in light of the Coronavirus Disease 2019 (COVID-19). Our utmost priority is resolving stakeholder difficulties during these unprecedented global conditions.

In response to the current global health crisis, the federal government’s direct effect on citizens and businesses will undoubtedly raise some very important financial accounting and reporting questions. We are committed to assisting our users in addressing these questions.

The most effective way we can resolve your federal financial accounting and reporting questions is for you to submit a technical

inquiry through our website. In the last year, FASAB has streamlined the technical inquiry submission process, and these changes are reflected on the newly redesigned [technical inquiry webpage](#). Please keep in mind that, especially in the near future, technical inquiries are one of the ways that staff can monitor accounting issues across the federal government. For this reason, we encourage you to submit any federal financial accounting and reporting inquiry—big or small—through the technical inquiry page. We will closely monitor these submissions to determine which questions may have government-wide applicability and potentially require new guidance. FASAB staff remains committed to answering your inquiries as quickly as possible. All staff responses to technical inquiries are peer-reviewed and executive director approved.

FASAB also understands the hardship that our constituents face in trying to maintain professional development training hours during these challenging times. Over the past year, we have developed the following free courses for federal agencies: Federal Accounting for Climate-Related Events (1 government CPE); FASAB Accounting Concepts and Standards (8 government CPEs); and Accounting for Internal Use Software (2 government CPEs). For more information about how these courses can be delivered via webinar, please contact Mr. Domenic N. Savini at 202-512-6841 or savinid@fasab.gov.

The Board's priority is working with stakeholders to help resolve important federal financial accounting and reporting questions. In light of that commitment, at the April 2020 Board meeting, the Board agreed to staff's three-pronged approach to respond to the needs of the federal financial accounting and reporting community.

- I. Encourage the submission of technical inquiries through the FASAB website and provide training
- II. Consider the postponement of existing Statements with effective dates beginning within the next 24 months
- III. Work with the Office of Management and Budget, the Department of the Treasury, and the Government Accountability Office to proactively identify and prioritize accounting issues

The Board will continue to monitor and respond to the situation, as well as commit to supporting and assisting FASAB's stakeholders well beyond this immediate crisis.

Please rest assured that FASAB is ready to adjust and adapt according to these extreme circumstances. For the most up-to-date information, please reference the [FASAB website](#) and consider [subscribing to our listserv](#). We will continue to update our stakeholders as the situation evolves.

Thank you for being part of the federal financial community and for your continued support of FASAB. We look forward to continuing to serve you.

Point of Contact: Monica Valentine, 202-512-7350, fasab@fasab.gov

Meeting Observer Line Change

Effective April 2020, FASAB has changed the toll-free teleconference number and passcode for meeting observers. The new number provides additional security and administrative functionality for Board meetings held via teleconference.

For those accustomed to calling the previous number, please be mindful of the new number and passcode, which will be reflected on meeting agendas henceforth. This new line will continue to be used, including when the Board returns to meeting in person.

Current Board Projects

(For more information, click on the title of the project to be directed to the related active project page.)

Accounting and Reporting of Government Land

At the April 2020 meeting, members unanimously agreed to extend by one year the effective and transitional period dates of the draft Statement on land in light of COVID-19. As a result, staff changed the effective date and RSI transition dates to reflect the one-year COVID-19 extension. The Statement will not become effective until fiscal year (FY) 2022 with a transition to note disclosures beginning in FY 2026. Some members acknowledged that a longer delay may be warranted due to COVID-19 conditions; however this delay does not address the technical difficulties identified by Messrs. Soltis and Bell in their most recent dissent.

The Board also agreed to schedule a briefing with three of the key land-holding agencies to discuss the requirements in the pre-ballot draft and to better understand their concerns and correct any misunderstanding regarding the Board's proposal.

Point of Contact: Domenic Savini, 202-512-6841, savinid@fasab.gov

Evaluation of Existing Standards

The Board did not discuss the evaluation of existing standards project during the April 2020 meeting.

Point of Contact: Melissa Batchelor, 202-512-5976, batchelorm@fasab.gov

Materiality

On May 4, 2020, FASAB issued Statement of Federal Financial Accounting Concepts (SFFAC) 9 titled *Materiality: Amending Statement of Federal Financial Accounting Concepts (SFFAC) 1, Objectives of Federal Financial Reporting, and SFFAC 3,*

Management's Discussion and Analysis. The Statement amends SFFAC 1 and SFFAC 3 to clarify materiality concepts and discusses the users, scope, and factors to consider when applying materiality in the federal environment.

Point of Contact: Ross Simms, 202-512-2512, simmsr@fasab.gov

Reporting Model: Budgetary Information

The Board did not discuss the reporting model: budgetary information project during the April 2020 meeting.

Point of Contact: Ross Simms, 202-512-2512, simmsr@fasab.gov

Reporting Model: MD&A

The Board did not discuss the reporting model: MD&A project during the April 2020 meeting.

Point of Contact: Robin Gilliam, 202-512-7356, gilliamr@fasab.gov

Reporting Model: Note Disclosures

The Board did not discuss the reporting model: note disclosures project during the April 2020 meeting.

Point of Contact: Ross Simms, 202-512-2512, simmsr@fasab.gov and Robin Gilliam, 202-512-7356, gilliamr@fasab.gov

Accounting and Auditing Policy Committee

Leases Implementation

At the May Accounting and Auditing Policy Committee (AAPC or “the committee”) meeting, staff briefed the committee on the status of the leases implementation project, the Board’s decision to defer the effective date of Statement of Federal Financial Accounting Standards (SFFAS) 54, *Leases*, and the Board’s COVID-19 response.

Members provided feedback, edits, and suggestions to staff based on their review of the implementation guidance working draft. Members discussed the first six topic areas of SFFAS 54: scope, definitions, lease term, short-term leases, contracts or agreements that transfer ownership, and intragovernmental leases. Staff will incorporate feedback from the committee and provide an updated working draft in the coming weeks.

Point of Contact: R. Alan Perry, Jr., 202-512-5720, perryra@fasab.gov

Until further notice, FASAB and AAPC meetings will be held via teleconference. If you wish to observe a FASAB meeting via teleconference, the telephone number and observer passcode are available on the posted agendas.

FASAB Meeting Schedule

June 24-25
August 26-27
October 21-22
December 15-16

Unless otherwise noted, FASAB meetings begin at 9 a.m. and conclude before 5 p.m. Meetings are held at the Government Accountability Office (GAO) at 441 G Street, NW in room 7C13. Agendas and briefing materials are available at <https://www.fasab.gov/briefing-materials/> approximately one week before the meetings.

AAPC Meeting Schedule

August 12-13
September 16
November 19

Unless otherwise noted, AAPC meetings begin at 1 p.m. and conclude at 3 p.m. Meetings are held at GAO at 441 G Street, NW in room 7C13. Agendas are available at <https://www.fasab.gov/aapc-activities/> approximately one week before the meetings.

Security Notice for In-Person Meetings

If you wish to attend a FASAB or an AAPC meeting, please pre-register on our website at <https://www.fasab.gov/pre-registration/> **no later than 8 a.m. the Tuesday before the meeting to be observed.** GAO, which provides space for our meetings, has increased its security procedures, and your name must be provided in advance to the GAO security force before you can enter the building. **When you arrive, please advise the security officer that you are attending either a FASAB or an AAPC meeting. Doing so will assist the officer in locating the correct security list.** Thank you.