



*FASAB news*  
*Federal Accounting*  
*Standards Advisory Board*

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## **FASAB Bids Farewell to Robert Bramlett**

Robert (Bob) Bramlett, one of the earliest members of FASAB's staff, retired on February 28, 2005 with 15 years of Federal service. Bob came to FASAB at the Board's inception from the Government Accountability Office, where he was a Senior Accounting Fellow. Before moving to Washington, he was a Project Manager with the Governmental Accounting Standards Board. He was previously Director of Internal Auditing for the City of Austin, Texas (where he also served as Director of Finance), and an Assistant City Auditor in Houston.

Bob is a Texas Certified Public Accountant with a BA in English and an MS in Accountancy. He has served on the National Intergovernmental Audit Forum, committees of the American Institute of Certified Public Accountants and the Association of Government Accountants, and the Comptroller General's Advisory Council on Governmental Auditing Standards (for the 1988 edition of Standards).

Bob has published articles in The CPA Journal, The Government Accountant's Journal and Public Budgeting and Finance.

During his 15-years at FASAB, Bob was instrumental in the development of the Board's Concepts and Statements. His primary assignments dealt with Objectives, Entity and Display, Liabilities, Management's Discussion and Analysis, and Revenue.

Bob's knowledge and depth of understanding of accounting concepts and theory have made him an invaluable asset to the Board. Not only is the Federal financial community losing extensive corporate knowledge and skills, it is losing a creative talent. We wish Bob continuing good fortune in his future endeavors.

## FASAB Launches Active Projects Page on Website

The FASAB website ([www.fasab.gov](http://www.fasab.gov)) has a new link for active FASAB projects. Each link will take you to a page with information about the related active Board project. The pages will include the project's objective, a history – with the most recent deliberations first – of the project, and staff papers supporting deliberations. Staff contact information is provided for questions related to the project deliberations or status.

As a result of this new feature and to avoid duplication, the FASAB Newsletter will be scaled back to present only recent actions and planned actions for the active projects. FASAB hopes this new resource will be helpful to users.

## Employment Opportunity with FASAB

The Federal Accounting Standards Advisory Board (FASAB) is seeking a qualified individual to join its professional staff as an Assistant Director. The position is a Band III (equivalent to GS-15) within a banded performance-based compensation system. FASAB receives administrative support from the US Government Accountability Office (GAO). Therefore, all recruitment activities are managed through GAO's website and compensation is determined under GAO's performance-based compensation system. To apply for the position, visit <https://jobs.quickhire.com/scripts/gao.exe>. The announcement numbers are FASAB-N-2005-0510-59 for Non-status candidates (those without current or former federal service) and FASAB-S-2005-0510-59 (those with current or former federal service).

Each assistant director assumes responsibility for a major technical project under consideration by FASAB. This requires research on concepts and standards adopted in the federal sector and by other standards setters; oral presentations

before the FASAB and responses to member queries; and strong writing skills. In addition, assistant directors often consult with fellow staff members on other major projects, work with the community on implementation guidance for existing standards, and make presentations at conferences.

#### **Disclaimer**

The staff of the Federal Accounting Standards Advisory Board publishes FASAB News 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 Board decisions are 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 Melissa Loughan, 202-512-5976, [loughanm@fasab.gov](mailto:loughanm@fasab.gov).

Please direct AAPC technical questions to Monica Valentine, 202-512-7362, [valentinem@fasab.gov](mailto:valentinem@fasab.gov).

Please direct FASAB and AAPC administrative questions to Charles Jackson, 202-512-7352, [jacksoncw1@fasab.gov](mailto:jacksoncw1@fasab.gov).

Detailed information about FASAB is available at [www.fasab.gov](http://www.fasab.gov). To see a sample of staff work, click on "Meetings" on the left and you will have access to briefing material from our most recent meeting as well as minutes from past meetings.

Applicants are required to submit a resume and unofficial transcript as well as respond to questions specific to the position. Detailed instructions are included in the vacancy announcement. Please follow the instructions carefully to ensure your application receives our full consideration. If you have any questions about the application process, please call the Employment and Recruitment office at 202-512-4900.

## Current Board Projects

### Natural Resources

At the March 2005 Board meeting, staff provided responses to a large number of issues raised by the Board at the December 2004 meeting. Responses to those issues were presented in the form of a Basis for Conclusions (BfC). The Board raised additional questions for staff follow-up. These included questions regarding the availability of information sufficient to support a net present value measure and detailed well-head prices to replace average well-head prices. Staff will continue developing the BfC with information that responds to the questions from Board members. Information pertaining to these questions can be found in the March Board meeting minutes

when approved.

**Point of Contact:** Rick Wascak, 202 512-7363, [wascakr@fasab.gov](mailto:wascakr@fasab.gov)

## Heritage Assets and Stewardship Land

After the March 2005 Board meeting, the Board unanimously approved the ballot *Heritage Assets and Stewardship Land* draft statement of federal financial accounting standards. Although the Board vote is final, there is a 90 day clearance for OMB and GAO to offer an objection. Additionally, since this standard relates to capital assets, the CFO Act requires a 45 day Congressional review period. Therefore, FASAB does not anticipate release of the final standard before summer.

Key revisions (since being exposed for comment) include a phased-in implementation for reclassification of information as basic and additional language regarding categorization. In addition, the Basis for Conclusions includes detail regarding guidance to be developed by the AAPC. Specifically, the draft statement of federal financial accounting standard includes the following phased-in implementation and additional language regarding categorization:

**These standards are effective for reporting periods beginning after September 30, 2005 with the exception of the following (these exceptions provide for a phase-in of disclosure requirements being reported as basic information such that these standards will be fully implemented for reporting periods beginning after September 30, 2008):**

- ❖ The disclosure for “The concise description of each major category of heritage asset [major category of stewardship land use]. The appropriate level of categorization of heritage assets [stewardship land use] should be meaningful and determined by the preparer based on the entity’s mission, types of heritage assets [stewardship land], and how it manages the assets.” **is effective for reporting periods beginning after September 30, 2007;**
- ❖ The disclosure for “Heritage assets [stewardship land] should be quantified in terms of physical units. The appropriate level of aggregation and physical units *{footnote: Defining physical units as individual items to be counted is neither required nor prohibited. Particularly for collection-type heritage assets, it may be more appropriate to define the physical unit as a collection, or a group of assets located at one facility, and then count the number of collections or facilities.}* of measure for each major category should be meaningful and determined by the preparer based on the entity’s mission, types of heritage assets [stewardship land], and how it manages the assets. For each major category of heritage asset [major category of stewardship land use] the following should be reported: 1.) The number of physical units by major category; major categories should be classified by collection or non-collection type heritage assets for which the entity is the steward as of the end of the reporting period;” **is effective for reporting periods beginning after September 30, 2007;**
- ❖ The disclosure “The number of physical units by major category [for heritage assets and stewardship land] that were acquired and the number of physical units by major category that were withdrawn during the reporting period;” **is effective for reporting periods beginning after September 30, 2008;**

- ❖ The disclosure “A description of the major methods of acquisition and withdrawal of heritage assets [stewardship land] during the reporting period. This should include disclosure of the number of physical units (by major category) of transfers of heritage assets [stewardship land] between Federal entities and the number of physical units (by major category) of heritage assets [stewardship land] acquired through donation or devise, if material. In addition, the fair value of heritage assets [stewardship land] acquired through donation or devise during the reporting period should be disclosed, if known and material.” **is effective for reporting periods beginning after September 30, 2008.**
- ❖ Information that is provided an exception (as described above) to being reported as basic information during the phase-in period is still required, but should be reported as RSI until the exceptions expire.
- ❖ Earlier implementation of the standards is encouraged.

**Point of Contact:** Melissa Loughan, 202-512-5976, [loughanm@fasab.gov](mailto:loughanm@fasab.gov)

## Fiduciary Activity

At the March 2005 Board meeting, the Board members indicated support for explicitly exempting payroll withholdings and garnishments from the reporting requirements for fiduciary activities. The Board also recommended the following staff actions to further develop and refine the proposed exposure draft:

- 1) To assist users in locating the fiduciary note disclosure, which is not related to any of the principal financial statements, staff will draft additional language for paragraph 15, referring to the OMB Form and Content requirement for Note 1, and requiring that an explanation of fiduciary activity be included in Note 1.
- 2) Staff will add narrative language to the illustration of the fiduciary note disclosure.
- 3) Staff will add language allowing aggregation in the list of component entities in the Government-wide note disclosure and calling it a “summary list.”
- 4) Staff will add an illustration of the Government-wide note disclosure in the appendix to the exposure draft.
- 5) Staff will add a requirement for a narrative disclosure to the Government-wide note disclosure, similar to the requirement on the component level.
- 6) Staff will change the language regarding disaggregation on a quantitative basis to language describing both quantitative and qualitative factors to consider, similar to SFFAS 27.
- 7) Staff will continue to work on the illustration of the consolidation worksheet to provide more separation of information required in the note disclosure and information required on the face of the financial statements.

- 8) Staff will send a revised draft to the Board members as soon as possible so that a pre-ballot draft could be presented to the Board at the May 2005 Board meeting.

**Point of Contact:** Eileen Parlow, 202-512-7356, [parlowe@fasab.gov](mailto:parlowe@fasab.gov)

## Concepts Project

At its March meeting, the Board considered and approved a draft outline of its white paper on objectives. Staff will proceed with drafting a white paper based on the outline. With respect to elements, the Board considered draft essential characteristics of a liability. The Board discussed the nature of present obligations in the federal environment and how federal entities might be “required to settle” obligations. The Board requested that staff present information regarding recognition criteria for the next meeting.

**Point of Contact:** Wendy Comes, 202 512-7357, [comesw@fasab.gov](mailto:comesw@fasab.gov)

## Social Insurance Liabilities

At its March 2005 meeting the Board narrowed its focus to two primary or “necessary” Social Security program characteristics that might create a “present obligation,” in conjunction with a “past obligating event,” prior to the point when benefit payments are due and payable. The characteristics are (1) “eligibility” or conditions specified in current law; and (2) performance. Other program characteristics presented by staff – e.g., *specificity* of benefits and benefit formulas; the “*permanence of funding*,” and direct communication benefit information – may be relevant to a decision about whether a liability definition was met but would not be necessary. The Board also considered three obligating events: (1) full eligibility, (2) threshold eligibility, and (3) beginning work in covered employment; and has begun discussing possible approaches for calculating the liability and cost amounts.

The following table summarizes the Board’s preliminary preferences regarding the obligating events:

	Work In Covered Employment.	Threshold Eligibility (40 QC)	Full Eligibility	[Other]
	1	6 <sup>1</sup>	1 <sup>1</sup>	3

**Point of Contact:** Richard Fontenrose, 202-512-7358, [fontenroser@fasab.gov](mailto:fontenroser@fasab.gov)

<sup>1</sup> One member chose two obligating events as possibility since both are predicated on eligibility.

## Research into the Application of the Liability Definition

At the March 3, 2005 meeting, staff presented a discussion of alternative obligating events for the Supplemental Security Income (SSI) program. SSI is administered by the Social Security Administration and has some striking similarities to the Social Security program being reviewed concurrently by staff on the Social Insurance Liabilities Project (see project summary above). Staff recommended that the determination of eligibility be selected as the obligating event for SSI. Board members found the analysis to be very helpful but reserved a decision on the obligating event for SSI until a more finalized definition of liabilities is agreed upon in the Concepts project (see project summary above). The analyses are considered helpful to the Board in their efforts to develop a liability definition that is appropriate across a wide range of government programs. The Board requested that staff pick one or two other programs to review and come back to the Board at a subsequent meeting to discuss alternative obligating events and display options for the selected program(s).

**Point of Contact:** Julia Ranagan, 202-512-7377, [ranaganj@fasab.gov](mailto:ranaganj@fasab.gov)

## Inter-entity Project

Staff prepared a pre-ballot *Inter-Entity Cost Implementation* draft statement of federal financial accounting standards for the March 2005 Board meeting for the Board's consideration. The pre-ballot Basis for Conclusions was updated to include the Board's actions and due process resulting from the comments received on the exposure draft and the public hearing. The Basis for Conclusions included detail about the forthcoming guidance from the AAPC. In addition, the Basis for Conclusions included Mr. Reid's dissent.

At the March 2005 Board meeting, the Board indicated that there were no technical issues for discussion on the pre-ballot *Inter-Entity Cost Implementation*. The Board Members indicated that there were some minor editorial comments that they would forward to staff. The Board anticipates receiving a ballot *Inter-Entity Cost Implementation* draft statement of federal financial accounting standards for vote before the next Board meeting.

**Point of Contact:** Melissa Loughan, 202-512-5976, [loughanm@fasab.gov](mailto:loughanm@fasab.gov)

## Other FASAB Information

### FASAB Current Technical Agenda & Status of Projects

Project	Previous Key Milestones	Quarter 2 2005	Quarter 3 2005	Quarter 4 2005	Quarter 1 2006	Staff Contact
Natural Resources		Oil & Gas Research	Oil & Gas Research	Oil & Gas ED	Oil & Gas DP	Rick Wascak, 202 512-7363
Heritage Assets and Stewardship Land	ED-2003 PH-2004	UR	Final			Melissa Loughan, 202-512-5976
Stewardship Investments		Research	Research	ED	DP	
Fiduciary Activity	ED-2003 PH-2003 Decision to reexpose – 12/2004	ED	DP	UR	Final	Eileen Parlow 202-512-7356
Concepts Project		Research	Research	Research	Research	Wendy Comes, 202 512-7357
Social Insurance Liabilities		Research	Research	Research	Research	Richard Fontenrose, 202-512-7358
Research into the Application of the Liability Definition		Research	Research	Research	Research	Julia Ranagan, 202-512-7377
Inter-entity Project	ED-2004 PH-2004	UR	Final			Melissa Loughan, 202-512-5976

#### Key Activities or Status

Note that all estimates of progress assume that exposure drafts are finalized as statements without re-exposure due to significant changes.

Research—Staff Research Phase of Project & Board Deliberations

ED—Exposure Draft Issued

DP—Board Due Process, including review of comment letters, etc.

PH—Public Hearing

UR—Under Review, document approved by FASAB and sent to sponsors for 90-day review

Final—Final Standard, Concept, Interpretation, etc. issued final.



# Accounting and Auditing Policy Committee

No AAPC meeting is schedule at this time.

Point of Contact: Monica Valentine, 202-512-7362, [valentinem@fasab.gov](mailto:valentinem@fasab.gov)

## FASAB Meeting Schedule

### Schedule for 2005 Meetings:

Wednesday, May 4<sup>th</sup> and Thursday, May 5<sup>th</sup>  
Wednesday, June 22<sup>nd</sup> and Thursday, June 23<sup>rd</sup>  
Wednesday, August 17<sup>th</sup> and Thursday, August 18<sup>th</sup>  
Wednesday, October 5<sup>th</sup> and Thursday, October 6<sup>th</sup>  
(No December meeting is scheduled for 2005.)

Unless otherwise noted, meetings begin at 9 AM and conclude at 4 PM. Meetings are held at 441 G Street NW in room 7C13. Agendas are available at <http://www.fasab.gov/briefingmats.htm> approximately one week before the meetings.

## Security Notice

If you wish to attend a FASAB or an AAPC meeting, please provide your name, organization, and phone number to Marian Nicholson, at 202-512-7350 or [nicholsonm@fasab.gov](mailto:nicholsonm@fasab.gov) **at least two days before the meeting**. The Government Accountability Office, which provides space for our meetings, has increased its security procedures and your name must be provided to the security force before you can enter the building. Thank you.