

# FASAB Update

Northern Virginia AGA Chapter  
2018

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## Disclaimer

- Views expressed are those of the speaker.

# Overview

- Recently Completed
- Requests for Comment
- Pre-proposal projects

## Recently Completed

- Tax Expenditures (SFFAS 52)
- Budget to Accrual Reconciliation (SFFAS 53)
- Leases (SFFAS 54)
- Inter-Entity Costs (SFFAS 55)

Requests for Comment

CLASSIFIED ACTIVITIES

LAND

# Classified Activities

- Department of Defense is undergoing a full audit.
- Requested guidance regarding how to protect classified information.

# Land

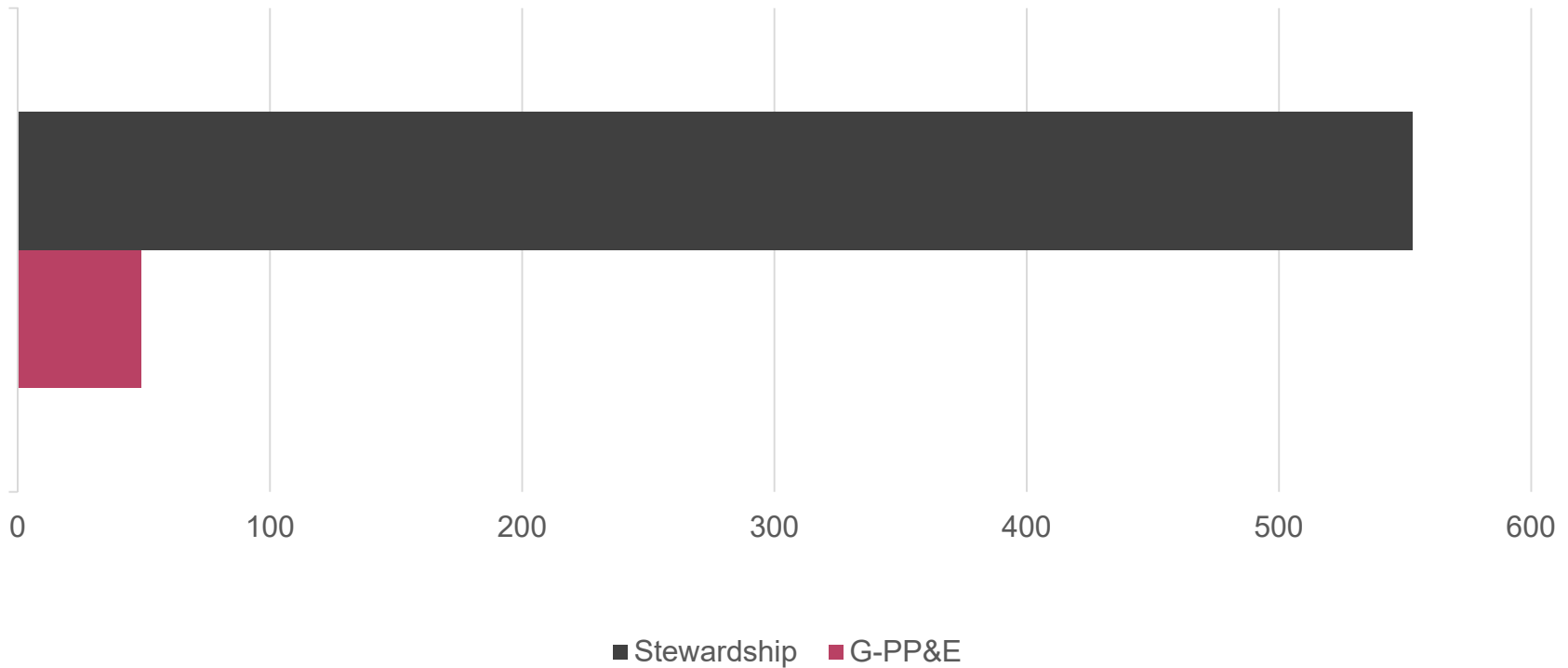
- SFFAS 50 on Opening Balances
- Land reporting should be:
  - Consistent
  - Comparable
  - Useful

## How Do We Account for Land Now? – 2 Buckets

- SFFAS 6: General PP&E land and land rights
  - Capitalize
- SFFAS 29: Stewardship land
  - Note disclosures
  - No asset dollar amount shown on balance sheet



## Stewardship vs. GPP&E Federal Land by Acreage (in Millions)



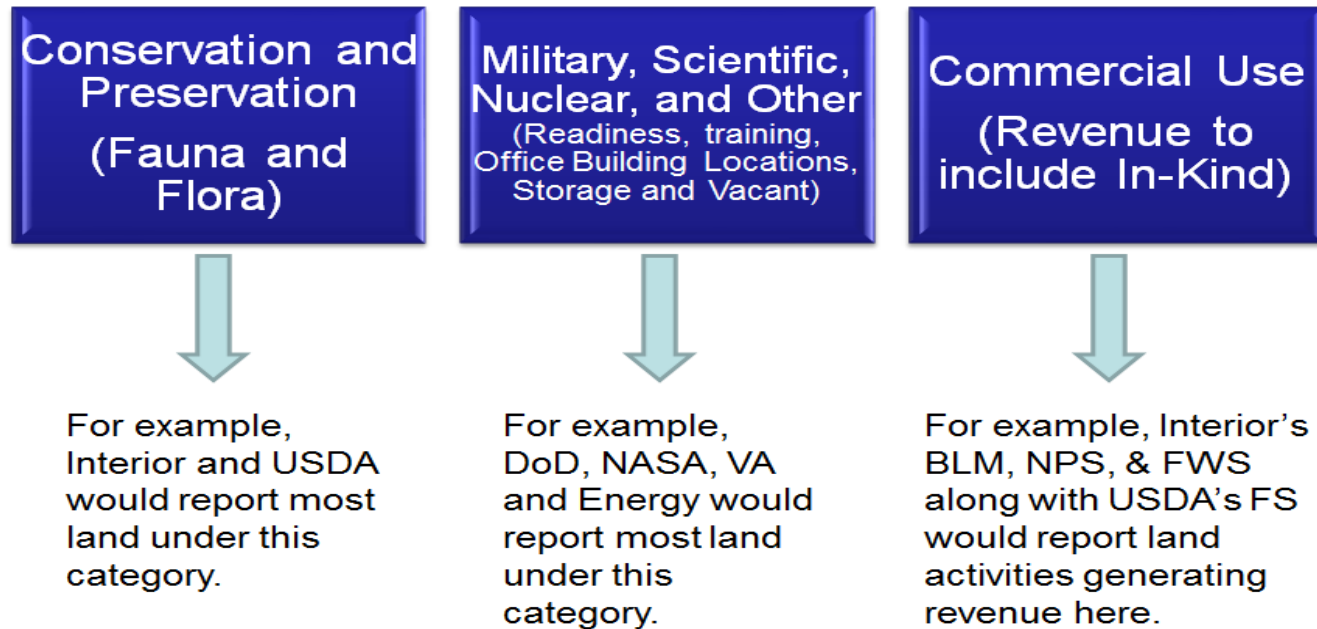
# What is the Board Considering?

## Goal – Consistency and Accountability

- Reclassifying G-PP&E Land
- Requiring Disclosures
- Key amendments to SFFAS 6 & 29 would include:
  - clarifying the categorization and reporting of land use,
  - broad acreage disclosure of acreage held-for-disposal

# Proposed Land Use Categories

## Land-Use Reporting Categories



# Land Project History & Tentative Timeline

July 2016

- August 2016 – April 2017 - Staff works with Task Force

Further developed nonfinancial (for example, acreage) reporting recommendations

April 2018 – May 2018

- Finalize and issue exposure draft

August 2018 – December 2018

- Finalize guidance or standards

## PRE-PROPOSAL PROJECTS

- Risk Assumed
- Streamlining Reports
- Reviewing Existing Standards
- Materiality
- Note Disclosures

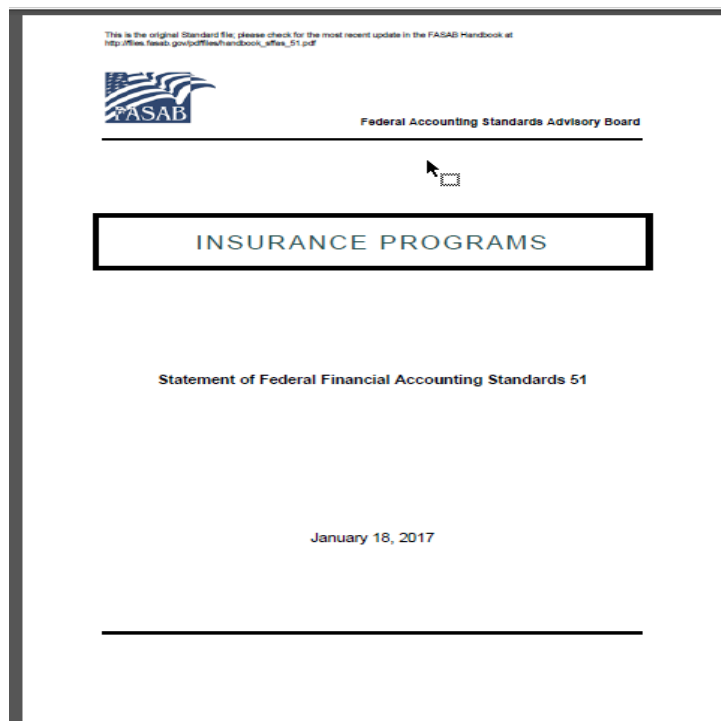
# Risk Assumed Project

Two Phases:

- Insurance Programs
- Risk Assumed Phase II



# Insurance Programs



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

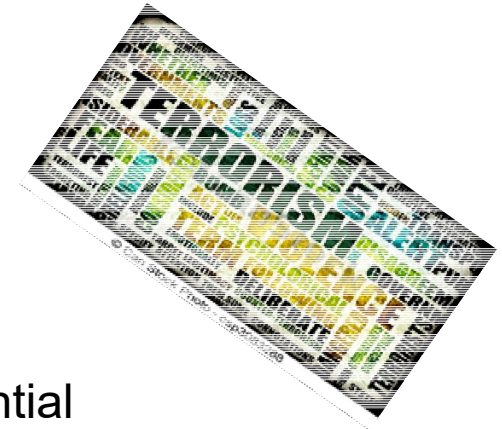
SFFAS 51 updated current standards that are limited to insurance contracts and explicit guarantees (other than loan guarantees). Effective FY 2019.

# Risk Assumed II (RAII)

Will study significant risk shocks  
such as



Photo by SPRC.org



to determine accounting standards that provide concise, meaningful, and transparent information regarding the potential impact to the fiscal health of the federal government.



# RAI Status & Challenges

- **Status**
  - Two roundtables
  - USAFacts Report
- **Challenges**
  - Model for Reporting RA
  - Balance of Information
  - Unique Risk Definitions
  - Measure Risks Assumed

## Risk Assumed

- Several areas being explored:
  - Management's Discussion and Analysis forward looking information
  - General disclosures regarding risk
  - Measurement Uncertainty
- May leverage Enterprise Risk Management efforts

## Streamlining Reports

- Pursuing three topics
  - Electronic reporting
  - Management's Discussion and Analysis
  - Required Supplementary Stewardship Reporting

## Evaluating Existing Standards

- The Department of Defense is quite large and complex.
- Ongoing efforts to identify requirements that would not be cost beneficial.
- Any changes will apply across government.

## Materiality

- Refreshing the federal discussion of materiality.
- Key points:
  - Judgment based on qualitative and quantitative factors
  - Consider user needs in the context of governmental reports
  - Based on facts and circumstances of the reporting entity
  - Not feasible for FASAB to predetermine what is material

## Note Disclosures

- Guidance for the Board to use in identifying information to disclose
- Immaterial disclosures detract from the information value of reports
- Reviewing existing disclosures

# Contact Information

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