Views expressed are those of the speaker
Overview

1. Recently Completed Guidance
2. Proposed Guidance
3. Pre-Proposal Projects
Recently Complete Guidance

Effective Upon Issuance

SFFAS 56: Classified Activities (Under Review)
Recently Complete Guidance

Effective for Periods Beginning after September 30, 2017

SFFAS 52: Tax Expenditures
Recently Complete Guidance

Effective for Periods Beginning after September 30, 2018

- SFFAS 51: Risk Assumed – Insurance Phase
- SFFAS 53: Budget to Accrual Reconciliation (early adoption permitted)
- SFFAS 55: Inter-entity Costs (early adoption permitted)
Recently Complete Guidance

Effective for Periods Beginning after September 30, 2020

SFFAS 54: Leases (early adoption not permitted)
Proposed Guidance - Land

• Objective
  ○ Improve
    ▶ Consistency
      ○ Existing practice provides three categories with different treatments
      ○ For stewardship land, physical units are selected by management and vary widely
    ▶ Accountability
    ▶ Usefulness
Proposed Guidance - Land

• Current Requirements
  ○ General PP&E land and land rights
    ▪ Acquired for or in connection with another item of general PP&E
    ▪ Capitalized
      ▪ Exception:
        • first time adopters can elect not to capitalize
        • Acres would be reported in a note
  ○ Stewardship land
    ▪ Not acquired for or in connection with an item of general PP&E (but may be used in the same manner as general PP&E land)
    ▪ Disclose physical units selected by management
Proposed Guidance - Land

Stewardship vs. GPP&E Federal Land by Acreage (in Millions)
Proposed Guidance - Land

Land Proposed Standards

- Remove all land from balance sheet
- Require disclosure of acres by sub-category
  - Conservation and preservation land
    - Used predominantly for conservation or preservation
  - Operational land
    - Used predominantly for general or administrative purposes
  - Commercial use land
    - Used predominantly to generate inflows of resources
Pre-proposal Projects

- Disclosures
- Materiality
- Risk Assumed
- Reporting Model
- Evaluating Existing Standards – Assigning Liabilities
Disclosures

- Objective
  - Improve the relevance, clarity, consistency, and comparability of note disclosures among the federal entities.

- Concern
  - Immaterial disclosures detract from the information value of reports

- Approach:
  - Phase I – Develop principles for the Board and preparers.
  - Phase II – Modify the existing note disclosure requirements to improve usefulness and effectiveness.

- Status
  - Research on-going, concentrating on disclosure principles and effective communication
Materiality

Objective
- Clarify materiality concepts for the Federal financial reporting environment

Concepts would
- Specify the scope of materiality
- List factors to consider when applying materiality

Status
- Board review in progress
- Plan to issue exposure draft by year end
Risk Assumed

Objective

- Provide concise, meaningful, and transparent information regarding the potential impact to the fiscal health of the federal government
Risk Assumed

- **Approach - Two Phases**
  - **Phase I: Insurance Programs**
    - SFFAS 51 Issued January 18, 2017, effective date for periods beginning after 9/30/18
  - **Phase II: Significant Risk Events other than events covered in SFFAS 51**
    - Will determine accounting standards that provide concise, meaningful, and transparent information regarding the potential impact to the fiscal health of the federal government
Risk Assumed

- Status
  - Conducted interviews and roundtables
  - Identified gaps in financial reporting
    - Potential users sought to better understand
      - performance of loan portfolios (programs)
      - full cost including administrative expenses (not just accrued annual expense)
      - how all major risk factors (not just interest and defaults) impact program performance
      - estimate changes and related uncertainty
      - market values in event of asset sales
**Risk Assumed**

- **Status**
  - Discussing options for incorporating risk assumed information in management’s discussion and analysis (MD&A)
  - Working in collaboration with MD&A improvement project
Reporting Model

- **Objective**
  - Improve presentation of cost, budget, and performance information

- **Approach**
  - Completed concepts for federal financial reporting
  - Conducted roundtables & identified topics for
    - near-term (Phase I)
      - MD&A
      - RSSI
    - long-term (Phase II)
      - Reporting model for the future
Phase I

- MD&A improvement proposals
  - Remove requirement for sections
  - Clarify requirements for reporting performance information
  - Clarify reporting on financial performance
  - Clarify forward-looking discussions regarding risks
Phase I

- RSSI improvement proposals
  - Rescind the RSSI category
  - Report stewardship investments in MD&A
Reporting Model

- Phase II
  - Electronic Reporting
    - Reviewing the use of technology to enhance reporting
      - Data visualizations
      - Interactivity, such as hyperlinks and drill-down capability
    - Considering what questions users might ask a digital model
    - Encouraging use of technology
Evaluating Existing Standards

- **Objective**
  - Identify opportunities to clarify requirements

- **Approach**
  - Considering particular topics, such as
    - Imputed cost
    - Intragovernmental exchange transactions
    - Assigning liabilities

- **Status**
  - Currently considering how to assign liabilities when multiple component reporting entities are involved.
  - If you wish to propose an existing standard be evaluated – contact Melissa Batchelor at:
    - BatchelorM@fasab.gov
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