



July 23, 201

Mr. David R. Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board (GASB)  
401 Merritt 7  
Norwalk, CT 06856-5116

Project: 3-26E

Dear Mr. Bean:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Government Accounting Standards Board (GASB) on its June 2, 2015 exposure draft entitled Accounting and Financial Reporting for Irrevocable Split-Interest Agreements. The FMSB is comprised of 24 members (list attached) with accounting and auditing backgrounds in federal, state and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

This exposure draft, if adopted, would require that a government that receives resources pursuant to an irrevocable split-interest agreement to recognize assets, liabilities, and deferred inflows of resources as appropriate. This proposed Statement would also require that a government recognize as assets the beneficial interests in irrevocable split-interest agreements that are administered by a third party, if those beneficial interests are under the control of the government and embody present service capacity.

Our review of the exposure draft found that it provides guidance that is similar to standards set by the Financial Accounting Standards Board (FASB) for nongovernmental not-for-profit entities. The FMSB has reviewed the exposure draft and supports the adoption of this standard by the GASB. We are pleased that GASB, when developing this proposed standard, is providing guidance on a topic of common interest that brings GASB standards and FASB standards closer together. In general, the FMSB supports adoption of similar guidance whenever it is feasible to do so. This helps to improve understanding and increase comparability between the financial reports of organizations by removing unnecessary difference between GASB and FASB standards.

In discussing the exposure draft, the FMSB has two suggestions that it would like to provide to the GASB. Our first comment relates to the guidance offered in paragraph 27 of the exposure draft. This paragraph states that the guidance of paragraphs 27-31 should be applied under both the current financial resources measurement focus and the economic resources measurement focus when a donated asset is reported as an investment. The FMSB believes that the standard would be improved if GASB provided an example to illustrate this guidance for the preparer.

Our second suggestion involves future GASB exposure drafts. We believe that GASB should consider adding to its exposure drafts a section where it highlights in what ways the new proposed standards will either provide closer conformance to any FASB standards on similar matters. Similarly, this section would also highlight if the proposed changes will result in additional differences in accounting and financial reporting standards between GASB and FASB. This shall assist the reviewers of the exposure drafts in understanding the extent to which such standards are similar. Given the complexity of the issues being addressed by GASB and FASB, we believe that this would assist users in reviewing any change.



We appreciate the opportunity to comment on this document and will be pleased to discuss this letter with you at your convenience. If there are any questions regarding the comments in this letter, please contact Steven E. Sossei, CPA, and AGA's staff liaison for the FMSB, at [ssossei@agacgfm.org](mailto:ssossei@agacgfm.org) or at 518-522-9968.

Sincerely,

A handwritten signature in black ink that reads "Lealan Miller". The signature is written in a cursive, flowing style.

Lealan Miller, CGFM, CPA  
Chair- AGA Financial Management Standards Board

cc: John E. Homan, MBA,CGFM,CPA,CGMA  
AGA National President

Association of Government Accountants  
Financial Management Standards Board

July 2015 – June 2016

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