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January 18, 2024

Federal Accounting Standards Advisory Board  
441 G Street NW, Suite 1155  
Washington, DC 20548

RE: Comments on FASAB *2023 Annual Report and Three-Year Plan*

The Financial Management Standards Board (FMSB) of the AGA appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board on its three-year plan for its technical agenda.

#### General Comments

We continue to appreciate the Board's educational and outreach efforts. We especially want to applaud the Board for again providing its annual update as a virtual event, and would encourage the Board to plan to continue this format or a hybrid format in the future. We would further encourage the Board to consider making the recorded training available rather than just the slides. These practices make this training event more accessible to a wider audience regardless of location or scheduling conflicts.

#### A. Accounting and Reporting of Government Land

We agree that providing implementation guidance will be helpful to support this important change in standards.

#### B. Climate-Related Financial Reporting

Given the emerging nature of this topic, we would encourage the Board to prioritize research and monitoring progress made by other standard setters. We continue to affirm the importance of this topic and the need for clear standards on information to be included in financial reporting. For example, if new estimates or disclosures will be required, it will be important for standards to identify reliable data and methodology for developing this information, such that it will be reasonable for federal agencies to implement.

#### C. Intangible Assets

We support this project. With legacy applications being replaced with new cloud-based systems, this topic is significant to many federal agencies.

With regard to project C1, we encourage the Board to consider the Governmental Accounting Standards Board's (GASB's) recently issued standard on this topic and strive for convergence to the extent appropriate for the federal environment.



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With regard to project C2, we encourage the Board to continue refining the working definition of intangible asset, in particular the “embodiment of future economic benefits” and “measurable value” criteria. For example, many federal agencies have invested significant resources in developing and maintaining data, which raises the question of whether – or under what conditions – data might be considered an intangible asset under the working definition.

#### D. Leases

We appreciate the Board’s work to provide implementation guidance for leases and encourage the Board to continue monitoring for the potential need for additional implementation guidance. Regarding projects D3 and D4, we would refer to our recent comment letters for specific views. We were unclear why D1 and D2 are included in the plan, since these activities have already been completed.

#### E. Omnibus Amendments

We are supportive of this project and would refer to our recent comment letter for specific views.

#### F. Public-Private Partnerships

We are supportive of this project. We would encourage the Board to consider the GASB’s recently issued standard on this topic and strive for convergence to the extent appropriate for the federal environment.

#### G. Re-examination of Existing Standards

We are supportive of this project and would refer to our recent comment letter for specific views. Although the 3-year plan shows only research activities planned for FY24 and FY25, we think there is an opportunity to identify some matters for earlier action in accordance with the purpose of the project.

We also notice that the GASB has started a project evaluating the structure of standards and would encourage the Board to monitor lessons learned from this project. As we described in our comment letter, we believe there is an opportunity for standards to be organized in a way that is more accessible to a new generation of learners.

#### H, I. Concepts Omnibus and MD&A

We are supportive of this project and would refer to our recent comment letter for specific views.

#### J, K. Technical Clarifications to Existing Standards

We appreciate the Board’s work to provide technical clarifications and updates to standards. We especially appreciate the FASAB’s collaborative approach and ongoing efforts to resolve matters specific to the Department of Defense.



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Sincerely,

A handwritten signature in black ink, appearing to read 'Scott DeViney', with a large, sweeping flourish at the end.

Scott DeViney, CPA  
Chair, Financial Management Standards Board

AGA  
Financial Management Standards Board

The FMSB is comprised of the following 22 members 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. The purpose of the FMSB is to advocate for the improvement of accounting and financial reporting standards at all levels of government and thus advance government accountability. The views of the FMSB do not necessarily represent those of AGA. Local AGA chapters and individual members are also encouraged to comment separately.

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