

Federal Accounting Standards Advisory Board

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June 27, 2011

NEWS RELEASE

FASAB Requests Comments on Proposed Deferred Maintenance and Repairs Standards

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Mr. Tom Allen, announced today that the FASAB is seeking input on an Exposure Draft, *Deferred Maintenance and Repairs, Amending Statements of Federal Financial Accounting Standards 6, 14, 29 and 32*.

The amendments would require entities to provide Deferred Maintenance and Repairs (DM&R) estimates for beginning and ending fiscal year balances along with an explanation of significant changes in estimates. Additionally, entities would be required to provide narrative information describing M&R policies and other non-financial information including any significant changes to policies and other factors from the prior year.

Other significant proposals contained in this Exposure Draft include (1) requiring that condition standards, related assessment methods, and reporting formats be consistently applied unless management determines that changes are necessary; (2) eliminating the requirement to report condition information; and (3) eliminating the optional reporting of high-low DM&R estimates as well as the option to report critical and non-critical DM&R.

“DM&R estimates provide important information about the government’s management of assets. Refining DM&R requirements based on more than a decade of experience reporting DM&R information should improve the usefulness of DM&R information while easing the burden on preparers by eliminating certain requirements and clarifying others,” according to Chairman Allen. “These changes should facilitate reliance on information already used by management to meet external reporting requirements.”

The exposure draft requests written comments by September 16, 2011, and encourages respondents to provide the reasons for their positions. The exposure draft in PDF format and the specific questions for respondents in Word format are available on the FASAB website at <http://www.fasab.gov/board-activities/documents-for-comment/exposure-drafts-and-documents-for-comment/>.

ABOUT FASAB

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources. The FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: www.fasab.gov.