*THE* ***GASB*** *REPORT*

***No. 335 / February 2013***

*(The GASB Report No. 297)*

***GASB Calendar***

The GASB has scheduled the following public meeting dates:

***April 2–4***

***May 14–16***

The GASB also is scheduled to meet via **teleconference** on **March 11** and **April 22.** The precise time, as well as the agenda, will be announced approximately two weeks before each meeting. Unless otherwise indicated, all meetings are held at the Financial Accounting Foundation (FAF) offices in Norwalk, Connecticut.

Also, the FAF Board of Trustees will meet on May 22 in Washington, D.C.

Please check the GASB website at www.gasb.org three working days prior to meetings to verify the final agenda.

If you plan to attend *any* meetings, please notify Ragan Vincent at (203) 956-5372 or via email at rpvincent@gasb.org. In addition, due to the FAF’s security procedures, visitors to *all* meetings are required to go to www.gasb.org to register at least 24 hours before each meeting they are planning to attend.

***GASB Requests Input on Emerging Issues***

While the GASB closely monitors practice for developing issues in governmental accounting and financial reporting, those who prepare, audit, and use governmental financial statements are best positioned to identify potential practice issues as they arise. As a result, the Board continually seeks input from its constituents to help identify emerging issues that may require its attention. Although in normal circumstances there is no room on the GASB’s agenda at present for additional major projects, the Board is committed to addressing critical emerging issues faced by state and local governments as they arise.

***How the GASB Becomes Aware of Issues***

The GASB has several processes in place that assist in identifying emerging issues. These include the activities of its advisory council, the Governmental Accounting Standards Advisory Council (GASAC), which meets three times a year to, among other things, consider whether there are matters that the GASB should research. Constituents also indirectly help the GASB identify potential issues when they contact its staff with questions about its standards. The GASB tracks the technical inquiries that it receives, and if a number of questions about a particular topic are posed, the Board, GASAC, and staff consider whether there may be an issue that requires further consideration.In addition to these procedures, the GASB encourages constituents to notify its staff if issues come to their attention, including raising those issues at presentations made by GASB representatives at conferences around the country.

***How to Notify the GASB of Potential Accounting Issues***

If you are aware of new issues for which accounting and financial reporting guidance is needed or any issues with the interpretation or implementation of GASB standards or with the financial reporting information that results from application of existing guidance, please let the GASB know. Potential concerns can be sent via email to the GASB’s director of research and technical activities at director@gasb.org. Alternatively, a letter can be sent to:

Director of Research and Technical Activities

GASB

401 Merritt 7

PO Box 5116

Norwalk, CT 06856-5116

When submitting a description of an issue, please include your name and contact information so that the GASB’s technical staff can follow up with you. Matters brought to the GASB’s attention will be explored by the staff and, based on the results of that initial research, may be considered either for addition as a project on the GASB’s technical agenda, along with competing projects, or for inclusion in a question and answer in the GASB *Comprehensive Implementation Guide.*

***Board Meeting Summary***

The GASB met via teleconference on January 28 to discuss its project on the measurement and application of fair value.In addition, the Board held a public meeting February 19–21 to discuss issues associated with its projects on financial guarantees, fair value measurement and application, recognition and measurement approaches under the conceptual framework, the hierarchy of generally accepted accounting principles, and accounting and financial reporting for other postemployment benefits. Due to publication deadlines, details of those deliberations are not discussed in this issue of *The GASB Report* but will be described in the March issue.

***Fair Value Measurement and Application***

In its project on the measurement and application of fair value, the Board considered additional issues related to the application of fair value, specifically with respect to accounting for natural resources and government-held life insurance. The Board tentatively agreed to propose that fair value measurement apply to natural resource assets that are *investment* assets.The Board next deliberated issues related to accounting for government-held life insurance policies. After discussion, the Board tentatively agreed that the current measurement guidance (cash surrender value) should be retained without modification. Finally, the Board tentatively agreed that there should be no modification of the already tentatively agreed upon definition of *life settlement contracts.*

***GASB Performance Measures: Technical Inquiry Activities***

Each year, the GASB staff spends a significant amount of time responding to questions (technical inquiries) from its constituents about GASB standards. This effort is an important function of the GASB in fulfilling its mission. The following performance measures assess a part of the mission and the GASB’s strategic plan objective to “guide and educate constituents about the content and value of the GASB’s reporting requirements and proposed standards.”

***Time Required to Complete Inquiries***

GASB response times to complete technical inquiries submitted to the GASB in 2012 significantly exceeded goals for responses in the less than one- , two- , and three-week categories, as indicated in the table below. The goal of completing all technical inquiries in less than 4 weeks was nearly met, with fewer than 10 out of 1,240 inquiries requiring 4 or more weeks to complete. Inquiries can take four weeks or more to complete for a number of reasons. More complex inquiries, for example, sometimes lead to an extended dialogue between the inquirer and the GASB staff to obtain or clarify specific facts or circumstances and may therefore take longer to resolve.

**Technical Inquiries in 2012**

 **Technical Inquiries Number 2012 Cumulative 2011 Cumulative GASB**

 **Closed Within of Inquiries Percentage Percentage Goals**

 0–6 days 1,078 86.9% 93.8% 80.0%

 7–13 days 119 96.5% 99.3% 90.0%

 14–20 days 27 98.7% 99.9% 95.0%

 21–27 days 7 99.3% 99.9% 100.0%

 28+ days 9 100.0% 100.0% 100.0%

 1,240

***Time Until First Contact Is Made with the Inquirer***

Although it may take longer to provide a final answer to an inquirer, the staff actually responds within days of receiving an inquiry in order to acknowledge receipt of the inquiry and to gather additional information. The GASB’s goal is to make initial contact with all inquirers within one week. During 2012, contact was made within a day for nearly 70 percent of the inquiries. Contact was made within 7 days in more than 95 percent of the inquiries received. The GASB’s response time in 2012 closely tracked with 2011 benchmarks, and the staff is striving to improve response time further in 2013.

**Technical Inquiries in 2012**

 **First Contact**

 **with Inquirer Number 2012 Cumulative 2011 Cumulative GASB**

 **Made Within of Inquiries Percentage Percentage Goals**

 1 day 856 69.0% 71.2% 60.0%

 2–6 days 294 92.7% 93.8% 90.0%

 7 days 30 95.2% 95.7% 100.0%

 8+ days 60 100.0% 100.0% 100.0%

 1,240

***Inquirer Satisfaction with Understandability, Helpfulness, and Promptness***

Constituent satisfaction with the GASB’s technical inquiry activities in 2012 substantially exceeded the GASB’s goals in each category and showed slight improvement over 2011 figures in three of four categories. Overall satisfaction was 98 percent (see page 3). The GASB is endeavoring to maintain and improve upon this level of overall inquirer satisfaction in 2013.

**Technical Inquiries in 2012**

 **Total Total GASB**

**Measure 2012 2011 Goals**

Answers to technical inquiries were understandable

 Or very easy to understand 99.0% 98.9% 90.0%

Person responding to technical inquiry was helpful

 Or very helpful 99.5% 98.9% 90.0%

Person making technical inquiry was satisfied

 or very satisfied with promptness of response 99.5% 98.3% 90.0%

Overall, person making technical inquiry was satisfied

 or very satisfied with the experience 98.0% 98.9% 90.0%

***How to Submit a Technical Inquiry***

The answers to many general questions (for example, status of a current GASB project or effective date of a Statement) can be found on the GASB’s website, www.gasb.org, or by contacting staff members via email.

Inquirers with questions that include requests for interpretation of accounting standards are encouraged to use the GASB’s web-based technical inquiry system at www.gasb.org. The system can currently be accessed by clicking the Technical Inquiry System menu item under the Technical Issues tab on the GASB website.

***Who’s Who at the GASB***

*In February, the GASB marked the departure of a postgraduate technical assistant who completed her term and assumed a new position.*

***Ashley N. Weller*** will join Ernst & Young as a senior associate in the firm’s Financial Services Office, working in the financial accounting advisory services group in New York City. She came to the GASB in February 2012 from Pennsylvania State University, University Park, Pennsylvania, where she received a master’s degree in accounting and a bachelor’s degree in finance. Ashley worked on a number of technical projects during her tenure including the Financial Accounting Foundation’s post-implementation review project and the GASB’s fair value measurement and application project.

***The GASB Report***

The GASB welcomes feedback on *The GASB Report.*

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