



Billing Code 3110-01

OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

Notice on Principles and Other Matters to Guide Conformance of the Cost Accounting Standards to Generally Accepted Accounting Principles

AGENCY: Cost Accounting Standards Board, Office Federal Procurement Policy, Office of Management and Budget.

ACTION: Notice.

SUMMARY: The Office of Federal Procurement Policy, Cost Accounting Standards Board, is publishing this notice to announce the availability of a notice discussing the Board's responses to public comments on its principles, roadmap, and template to address the conformance of the Cost Accounting Standards (CAS) to Generally Accepted Accounting Principles (GAAP). The comments were received in response to a Staff Discussion Paper (SDP) published on March 13, 2019.

FOR FURTHER INFORMATION CONTACT: Raymond Wong, Cost Accounting Standards Board Director (Telephone 202-395-6805).

Availability: The full text of the notice is available on the Office of Management and Budget homepage at: <https://www.whitehouse.gov/wp-content/uploads/2020/03/2020-03-supp-cas-gaap-gp.pdf>.

SUPPLEMENTARY INFORMATION:

The Office of Federal Procurement Policy (OFPP), Cost Accounting Standards Board (CAS Board or Board), is releasing a notice to discuss responses to public comments on the guiding principles, roadmap, and template developed by the CAS Board to address how it will

approach the requirement in section 820 of Public Law 114-328 to conform CAS to Generally Accepted Accounting Principles (GAAP) to the maximum extent practicable. The March 2019 SDP solicited views with respect to the Board's statutory requirement to review CAS and conform them, where practicable, to GAAP. Respondents were invited to comment on the following six matters: (1) the guiding principles proposed for evaluating the benefits and drawbacks of conforming CAS to GAAP; (2) a roadmap for prioritizing action and explanation of where action may not be beneficial; (3) a template for cross-walking CAS coverage to corresponding GAAP coverage; (4) whether revision to the CAS contract clause found at 9903.201-4, *Contract clauses*, may be necessary if requirements in the standards are eliminated; (5) the initial analysis of CAS 408, Accounting for Costs of Compensated Personal Absence, and 409, Cost Accounting Standard Depreciation of Tangible Capital Assets, including the Board's preliminary observations and specific questions for public feedback; and (6) where CAS may need to be modified to conform to changes to GAAP that occurred after a related CAS was promulgated, with an initial focus on lease accounting and operating revenue recognition. The notice being released today relates to respondents' comments on the first four matters enumerated above. The Board plans to address the last two items with separate advanced notices of proposed rulemaking.

Michael E. Wooten,

Administrator for Federal Procurement Policy, and

Chairman, Cost Accounting Standards Board.

[FR Doc. 2020-05737 Filed: 3/18/2020 8:45 am; Publication Date: 3/19/2020]