

The Governmental Accounting Standards Board (GASB) invites you to participate in a new process for collecting information about the effort and costs associated with implementing major new pronouncements.

One of the GASB's guiding principles is that it sets standards only when the expected benefits of those standards justify their perceived costs.

The benefits come mainly in the form of reported information that is valuable for analyzing a government's financial health, making decisions, or assessing government accountability. The costs primarily relate to the staff time and other costs borne by governments as they implement the standards and apply them going forward.

When the GASB conducts research to evaluate whether existing standards continue to be effective, it studies how much it cost to apply the standards.

Experience has shown that collecting accurate information—or any information at all—about how many staff hours were needed and what non-staff costs were incurred during implementation is very difficult after the fact.

That was evident recently when the GASB conducted surveys regarding the implementation effort associated with its pension standards—Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Although *only about three years* had passed since those standards were implemented—a substantial leap forward in the timeliness of collecting the information—many governments that were randomly selected to take the survey were unable to complete it.

In some cases, the people who were involved in the implementation process had moved to other positions or other governments. In other cases, the governments had not tracked the effort and costs associated specifically with the pension standards and were unable to estimate them.

That is why the GASB is revamping its procedures for collecting implementation information—by starting the process *before* major new standards have been

implemented and continuing through the first and second years of applying the standards.

That will give governments the opportunity to keep track of their implementation effort as they proceed. The results should be more governments being able to participate and to provide more accurate information.

The GASB will be implementing the new procedures in phases for four recent Statements:

- Step 1.** Collect information about the implementation Statement No. 72, *Fair Value Measurement and Application*, under the same procedures used for the pension standards. Unfortunately, it was too late to start the new procedures for Statement 72, but it was nevertheless important to collect information about that major pronouncement. That process is now complete.
- Step 2.** Collect information about the implementation of Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in a timelier fashion, using some of the new procedures. Many governments recently have implemented the other postemployment benefits (OPEB) standards. Although governments may not have tracked their implementation effort, it should be fresher in their minds as they recently applied the standards.
- Step 3.** Employ the new procedures to collect information about Statement No. 84, *Fiduciary Activities*. Governments will be implementing Statement 84 beginning with fiscal years ending December 31, 2020.
- Step 4.** Employ the new procedures again to collect information about Statement No. 87, *Leases*. Governments will be implementing Statement 87 starting with fiscal years ending June 30, 2022.

The GASB will be inviting a random sample of governments to respond to surveys about Statements 75, 84, and 87, but it also is **seeking additional volunteers** for the new procedures.

Keep an eye out for an email inviting you to sign up to participate.

A notice also will be posted to the GASB website, www.gasb.org.