

113TH CONGRESS
2D SESSION

H. R. 4678

To establish the Federal Accounting Standards Advisory Board as an independent establishment to develop Federal financial accounting concepts and standards and provide guidance to users of Federal financial information, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2014

Mr. RENACCI (for himself, Mr. CARNEY, Mr. OWENS, Mr. KELLY of Pennsylvania, Mr. JOYCE, Mr. CAMPBELL, Mr. BUCSHON, Mr. WEBSTER of Florida, Mr. RIBBLE, Mr. KILMER, Mr. COOPER, Mr. CONAWAY, Mr. STIVERS, Mr. DELANEY, and Mr. WELCH) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the Federal Accounting Standards Advisory Board as an independent establishment to develop Federal financial accounting concepts and standards and provide guidance to users of Federal financial information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Financial
3 Statement Transparency Act of 2014”.

4 **SEC. 2. FEDERAL ACCOUNTING STANDARDS ADVISORY**
5 **BOARD.**

6 There is established in the executive branch of the
7 Government an independent establishment to be known as
8 the Federal Accounting Standards Advisory Board (in this
9 Act referred to as the “Board”).

10 **SEC. 3. MEMBERSHIP.**

11 (a) NUMBER AND APPOINTMENT.—The Board shall
12 be composed of 10 members appointed as follows:

13 (1) One member shall be an employee of the
14 Government Accountability Office, appointed by the
15 Comptroller General of the United States (in this
16 Act referred to as the “Comptroller General”).

17 (2) One member shall be an employee of the
18 Office of Management and Budget, appointed by the
19 Director of the Office of Management and Budget
20 (in this Act referred to as the “Director”).

21 (3) One member shall be an employee of the
22 Department of the Treasury, appointed by the Sec-
23 retary of the Treasury (in this Act referred to as the
24 “Secretary”), who may not participate in any votes
25 held pursuant to section 4(c)(1).

1 (4) Seven members shall be appointed from the
2 general financial community, the accounting and au-
3 diting community, or academia by an appointment
4 panel consistent with the requirements of subsection
5 (d).

6 (b) REQUIREMENTS FOR NON-FEDERAL MEM-
7 BERS.—Members appointed pursuant to subsection (a)(4)
8 may not be selected from among Federal employees.

9 (c) TERMS.—

10 (1) FEDERAL MEMBERS.—A member appointed
11 pursuant to paragraph (1), (2), or (3) of subsection
12 (a) shall serve on the Board at the discretion of the
13 head of each agency that appoints such a member.

14 (2) NON-FEDERAL MEMBERS.—Members ap-
15 pointed pursuant to subsection (a)(4) shall serve for
16 a term not to exceed 5 years and that, upon ap-
17 proval of an appointment panel described in sub-
18 section (d), may be renewed for an additional term
19 not to exceed 5 years.

20 (d) APPOINTMENT PANEL.—

21 (1) INITIAL APPOINTMENT PANEL MEMBER-
22 SHIP.—Upon appointment, the member appointed by
23 the Comptroller General pursuant to subsection
24 (a)(1) shall convene an appointment panel consisting
25 of not more than 6 individuals as follows:

1 (A) The member appointed by the Comp-
2 troller General pursuant to subsection (a)(1),
3 who shall serve as chair of the initial appoint-
4 ment panel.

5 (B) The members appointed by the Direc-
6 tor and the Secretary, respectively, pursuant to
7 paragraphs (2) and (3) of subsection (a).

8 (C) One representative from the Financial
9 Accounting Foundation (or a successor organi-
10 zation).

11 (D) Two representatives from an organiza-
12 tion that nationally represents the interests of
13 the certified public accountant profession by—

14 (i) serving as an advocate before legis-
15 lative and regulatory entities, public inter-
16 est organizations, and professional organi-
17 zations;

18 (ii) developing standards for audits of
19 nonpublic entities and guidelines for serv-
20 ices of certified public accountants;

21 (iii) providing professional tools and
22 training to certified public accountants;
23 and

1 (iv) monitoring and enforcing compli-
2 ance with technical and ethical standards
3 for certified public accountants.

4 (2) DUTIES OF APPOINTMENT PANEL.—The ap-
5 pointment panel established under this subsection
6 shall appoint members pursuant to subsection (a)(4)
7 to serve on the Board.

8 (3) EXPIRATION.—The chair shall dissolve the
9 appointment panel upon completion of the duties de-
10 scribed in paragraph (2).

11 (4) SELECTION OF CHAIR OF SUBSEQUENT AP-
12 POINTMENT PANEL.—The Secretary, the Director,
13 and the Comptroller General shall select one member
14 appointed pursuant to subsection (a)(4) to serve as
15 the chair of the Board and the chair of a subsequent
16 appointment panel.

17 (5) SUBSEQUENT APPOINTMENT PANEL.—The
18 chair selected pursuant to paragraph (4) shall con-
19 vene an appointment panel before the expiration of
20 the term of the Board members appointed pursuant
21 to subsection (a)(4).

22 **SEC. 4. DUTIES; CONCEPTS AND STANDARDS.**

23 (a) DUTIES OF FASAB.—The Board shall develop
24 Federal financial accounting concepts or standards and
25 give consideration to the budgetary information needs of

1 executive agencies and the needs of users of Federal finan-
2 cial information.

3 (b) RESTRICTION ON DUTIES.—The Board may not
4 set or propose budget concepts, standards, or principles.

5 (c) CONCEPTS AND STANDARDS.—

6 (1) FASAB VOTE.—The Board shall submit to
7 the Director and the Comptroller General any Fed-
8 eral financial accounting concepts or standards de-
9 veloped under subsection (a) that receive a favorable
10 vote by at least $\frac{2}{3}$ of the Board members (except as
11 provided in section 3(a)(3)).

12 (2) OMB AND GAO REVIEW.—

13 (A) AUTOMATIC ACCEPTANCE.—Except as
14 provided in subparagraph (B), the concept or
15 standard described in paragraph (1) shall be
16 submitted to the Secretary at the end of the 90-
17 day period beginning on the date the Director
18 and the Comptroller General receive the concept
19 or standard.

20 (B) PROCESS FOR REJECTION.—If the Di-
21 rector or the Comptroller General disapproves
22 of the concept or standard described in para-
23 graph (1), the Director or the Comptroller Gen-
24 eral shall, not later than 90 days after receiving
25 such concept or standard, reject such concept

1 or standard and submit such concept or stand-
2 ard to the Board for reconsideration.

3 (C) REPORT FOR REJECTION.—Not later
4 than 5 days after submitting the concept or
5 standard to the Board for reconsideration, the
6 Director or the Comptroller General shall sub-
7 mit to Congress and the organization described
8 in section 3(d)(1)(D) a report, which shall be
9 made available to the public, describing the re-
10 jected concept or standard and the basis for the
11 rejection.

12 (3) FASAB PUBLICATION.—At the end of the
13 period described in paragraph (2)(A), the Board
14 shall publish the concept or standard submitted to
15 the Secretary pursuant to such paragraph in the
16 Federal Register.

17 (4) TREASURY REVIEW.—

18 (A) IN GENERAL.—Except as provided in
19 subparagraph (B), if the Secretary decides not
20 to adopt a concept or standard submitted pur-
21 suant to subsection (c)(2)(A), the Secretary
22 shall submit, along with the annual report sub-
23 mitted pursuant to section 331(e)(1) of title 31,
24 United States Code, a description of any re-

1 jected concept or standard and the basis for the
2 rejection.

3 (B) EXCEPTION FOR IMMATERIAL DEVI-
4 ATIONS.—The requirements of subparagraph
5 (A) do not apply if the Secretary determines
6 that the application of the concept or standard
7 would not have a material effect on the annual
8 report submitted pursuant to section 331(e)(1)
9 of title 31, United States Code.

10 (d) GAO AUDIT.—If, in conducting an audit of the
11 annual report submitted by the Secretary pursuant to sec-
12 tion 331(e)(1) of title 31, United States Code, the Comp-
13 troller General finds a material deviation from generally
14 accepted accounting principles in such report, the Sec-
15 retary shall submit to the Comptroller General an expla-
16 nation for such deviation not later than 30 days after noti-
17 fication of such deviation.

18 **SEC. 5. FASAB OPERATIONS FUND.**

19 (a) ESTABLISHMENT.—The Secretary of the Treas-
20 ury shall establish a fund, to be available without fiscal
21 year limitation, to provide funds to the Board for the pur-
22 pose of carrying out its duties under this Act.

23 (b) AMOUNT.—The Board shall determine the annual
24 cost of carrying out its duties.

1 (c) DEPOSITS.—Beginning on the first day of the
2 first full fiscal year that begins after the date of enactment
3 of this Act, the Secretary of the Treasury shall assess a
4 fee on each sale of a security under chapter 31 of title
5 31, United States Code, in an annual aggregate amount
6 equal to the amount specified in subsection (b), and de-
7 posit such amount into the fund.

8 (d) USE OF FUNDS.—Amounts in the fund may be
9 used by the Board, for the purpose of carrying out the
10 duties of the Board under this Act without further appro-
11 priation, beginning on the first day of the fiscal year be-
12 ginning after the fiscal year described in subsection (c).

13 **SEC. 6. EFFECTIVE DATE.**

14 Sections 3 and 4 of this Act shall take effect on the
15 date that amounts in the fund described in section 5 are
16 transferred to the Board.

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