Fact Sheet about GASB Field Tests

1. **What is a GASB field test?**

   Field tests are a part of the Governmental Accounting Standards Board's due process activities and help the GASB to establish effective standards of accounting and financial reporting for U.S. state and local governments. Participating governmental entities volunteer to go through the process of implementing a proposed standard and then provide feedback to the GASB regarding that process.

2. **Why does the GASB conduct field tests?**

   Field tests point out potential problems related to the implementation of proposed standards. Field tests also allow the GASB to gather valuable information about the cost of implementation in terms of personnel hours and dollars.

3. **When does the GASB conduct field tests?**

   The GASB typically conducts field tests for proposed standards it considers to be particularly complex or that it anticipates may be costly to implement.

4. **Who can participate in a GASB field test?**

   Any type of U.S. state or local governmental entity—including both general purpose and special–purpose governments—is eligible to participate. The GASB looks for entities that are willing to engage in field tests objectively and without preconceived notions about the outcome. Specifically, the GASB looks for entities that:

   - Have transactions or activities that are relevant to the proposed standard
   - Are willing to complete the exercise of implementing the proposed standard by an agreed upon deadline
   - Will provide feedback to the GASB on the process of implementing the standard, including the identification of significant problems
   - Will provide the GASB with information about the effort—in terms of dollars and personnel hours—required to implement the proposed standard.

5. What are the benefits of participating in a GASB field test?

Participation in a GASB field test can provide entities with a variety of benefits, not the least of which is learning about the proposed standards directly from the GASB's project staff and being able to ask the staff questions regarding implementation. This gives participating governments a significant head start on implementation when the final standard is issued.

The GASB publicly acknowledges the assistance of the governments that participate in its field tests. Participating governments also have the personal and professional satisfaction of having assisted the GASB in developing an effective standard.

6. What is involved in participating?

Interested governments first participate in a pre-test screening interview. Afterward, a participating government would apply the requirements of the proposed standards and prepare pro forma financial statements, note disclosures, and required supplementary information, if applicable. Additionally, a government would:

- Track personnel hours and the cost of other resources employed to implement the proposed standard
- Provide the GASB with the pro forma materials and supporting documentation
- Participate in a post-test interview regarding the field test.

GASB field tests generally are completed over a one- to two-month period, though the length of time varies depending on the project.