

# **GASB AT A GLANCE**

## **1. What is the GASB?**

The Governmental Accounting Standards Board or GASB is an independent, private-sector, not-for-profit organization that—through an open and thorough due process—establishes and improves standards of financial accounting and reporting for U.S. state and local governments. Governments and the accounting industry recognize the GASB as the official source of generally accepted accounting principles (GAAP) for state and local governments.

***In line with its mission, the GASB issues standards that:***

- Result in useful information for users of financial reports (for example, owners of municipal bonds and members of citizen groups) and
- Guide and educate the public, including issuers, auditors, and users about the implications of those financial reports.

## **2. Why is the work of the GASB important?**

GASB standards help constituents to determine the ability of their government to provide services and repay its debt. Those standards also help government officials demonstrate accountability to constituents, including their stewardship over public resources. GASB standards help to ensure that those who finance government or who participate in the financing process have access to relevant, reliable, and understandable information that assists them to make better, more informed decisions.

## **3. How does the GASB carry out its mission?**

The GASB works to accomplish its mission by issuing standards that:

- Improve the decision-usefulness of financial reports
- Foster reliable, relevant, and consistent information
- Recognize the unique and distinguishing characteristics of the governmental environment
- Improve constituent understanding of the information contained in financial reports
- Are accompanied by helpful and understandable implementation guidance.

## **4. Who are the primary users of the information that results from GASB standards?**

Government financial reports are used by a number of stakeholders including:

- Citizens and citizen groups
- State, county, and local legislative and oversight officials
- Creditors and persons involved in the municipal bond industry.

## **5. How is the GASB structured?**

The GASB is composed of seven members drawn from its diverse constituency, which includes preparers and auditors of government financial statements, users of those statements, and members of the academic community. The current Board members are:

<b>Robert H. Attmore, Chairman</b>	Former Deputy Comptroller of New York State
William W. Holder	Ernst & Young Professor of Accounting, University of Southern California
Michael D. Belsky	Mayor of Highland Park, Illinois
Jan I. Sylvis	Chief of Accounts, Department of Finance and Administration, State of Tennessee
Girard Miller	Former President, Janus Funds
Marcia L. Taylor	Assistant Manager of Mt. Lebanon, Pennsylvania
Richard C. Tracy	Former Director of Audits, Portland, Oregon
James M. Williams	Former Partner and National Director of Public Sector Accounting and Assurance Services, Ernst & Young LLP

The Chairman serves full time and the other members are employed on a one-third-time basis. The GASB also has a professional staff drawn from government, public accounting, academia, and the user community. The staff works directly with the Board and its task forces, conducts research, participates in public hearings, analyzes oral and written comments received from constituents on due process documents, and prepares draft documents for consideration by the Board members.

## **6. Who provides financial support for the GASB?**

Funding for the GASB is derived in part from sales of publications, in part from contributions from state and local governments and the financial community, and in part from a nominal voluntary fee assessment on municipal bonds issued.

## **7. Why is independent standards setting important?**

As an independent body free from inappropriate political pressure or commercial influence, the GASB brings objectivity and integrity to the process of issuing neutral, unbiased accounting and financial reporting standards that are relevant in the government environment.

## **8. What the GASB Is NOT....**

The GASB is not a federal agency. The federal government does not fund GASB, and its standards are not federal laws or rules. The GASB does not have enforcement authority to require governments to comply with its standards. However, compliance with the GASB's standards is enforced through the audit process, when auditors render opinions on the fairness of presentations in conformity with GAAP, and through the laws of individual states, many of which require local governments to prepare GAAP basis financial statements. In addition, the municipal bond industry prefers that governments issuing debt prepare their financial statements on a GAAP basis.