



GOVERNMENT FINANCE OFFICERS ASSOCIATION  
**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

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***GFOA Members Approve Policy Statement, The Financial Accounting Foundation Board of Trustees Should Provide Governmental Trustees and State and Local Government Associations with Meaningful Input on GASB Appointments***

(Chicago, Illinois—May 19, 2020) During the Government Finance Officers Association’s (GFOA) annual business meeting held during the association’s 2020 Virtual Conference on May 18, members voted and approved the policy statement, *The Financial Accounting Foundation Board of Trustees Should Provide Governmental Trustees and State and Local Government Associations with Meaningful Input on GASB Appointments*. A description of the policy statement appears below.

***The Financial Accounting Foundation Board of Trustees Should Provide Governmental Trustees and State and Local Government Associations with Meaningful Input on GASB Appointments***

The Government Finance Officers Association (GFOA), on behalf of its 21,000 members, urges the Financial Accounting Foundation (FAF) to reform its appointments process to the Governmental Accounting Standards Board (GASB). The reforms should promote transparency and insure state and local government associations and the FAF governmental trustees have input into the selection of GASB members, as was provided for in the 1984 agreement creating the GASB.

**The Issue**

In December 2019 the private sector members of the FAF Board of Trustees overrode the unanimous opposition of its own Governmental Trustees in voting to appoint an individual with no prior service in government to be the incoming Chair of the GASB. This was an unprecedented decision that will result in the GASB not being led by a representative from state or local government for the first time in its history. The FAF, in not honoring the spirit of the 1984 agreement, has broken trust with state and local government associations who founded the GASB.

*(more)*

### **Background**

The following background highlights are explained in more detail at <https://gfoa.org/background-faf-governance-policy-statement>.

- Under the US Federal system of government, the states have sole authority to establish accounting and financial reporting standards.
- The GFOA and other state and local government associations created the GASB in 1984, under general oversight of the FAF.
- The GFOA and states were significant funders of the GASB until 2010 when they supported more sustainable funding as part of the Dodd-Frank Act.
- The important role of the FAF governmental trustees has been diminished over time.

### **Recommendation**

GFOA strongly supports reforms of Financial Accounting Foundation governance to promote transparency and insure the knowledge and expertise of the governmental trustees and state and local government associations are considered in any appointment to the GASB, particularly to the position of chair.

Policy statements articulate the position of GFOA and guide local, state, and federal policymakers on the pressing issues of governmental finance. Such policies have been developed by GFOA's standing committees and approved by the GFOA Executive Board.

For more information about GFOA's policy statements, please visit <https://gfoa.org/public-policy-statements>; e-mail [cmorrill@gfoa.org](mailto:cmorrill@gfoa.org); or call 312/977-9700.

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*Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 21,000+ members and the communities they serve.*