

## The CAS Board Does Stuff

Written by Nick Sanders

Monday, 30 March 2020 00:00 - Last Updated Monday, 30 March 2020 10:37

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One of the *joys* of blogging is that, sometimes, you are wrong. You are wrong and it's out there for the world to see. Like that time we criticized GSA but we didn't put in the bit that GSA was really two GSAs and only one was bad. (But then GSA [merged](#) so we weren't as wrong as we were before. We were prescient but with bad timing. So, you know. Like that. That's our story and we're going to stick with it.)

Speaking of bad timing, we very recently [posted](#) a blog article that criticized the CAS Board for meeting and meeting and talking and talking without, you know, actually *accomplishing* anything of substance. We wrote "Could somebody please light a fire under the chairs at the CAS Board? And maybe get them talking to other organizational elements of the OMB?" Basically, if you got the sense that, if hot air were gold bullion then we thought the Board members were all *gazillionaires*, then we were probably doing some effective writing. Or so we thought.

But no, it turns out that we were wrong about several things (not all things, but a lot of things).

We said the CAS Board hadn't discussed the recent OMB legislative proposal to increase the CAS applicability threshold from \$2 million to \$15 million. That was an error.

We implied the CAS Board wasn't dispositioning public input to the year-old SDP on conforming CAS 408 and 409. That was wrong; indeed, they have dispositioned those public comments.

So, yeah. Kind of not so good. We plead bad timing and bad Federal Register notifications. But still ...

What's the real story?

On March 19, 2020, the CAS Board published a notice of meetings in the Federal Register.

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That notice was brought to our attention and we wrote about it. The content of our blog article was based on that notice.

But that wasn't the only notice the CAS Board published in the Federal Register on that day.

On that same day, the CAS Board published [another notice](#) , entitled "Notice on Principles and Other Matters To Guide Conformance of the Cost Accounting Standards to Generally Accepted Accounting Principles."

In that other Federal Register notice, the CAS Board announce the availability of yet another piece of content. That was basically it. The notice literally said:

... publishing this notice to announce the availability of a notice discussing the Board's responses to public comments on its principles, roadmap, and template to address the conformance of the Cost Accounting Standards (CAS) to Generally Accepted Accounting Principles (GAAP). The comments were received in response to a Staff Discussion Paper (SDP) published on March 13, 2019.

*Publishing a notice to announce the availability of a notice.*

*Sure. That was well-phrased. Especially when the "notice" wasn't a notice at all, but instead a .pdf file hidden on the White House website.*

Regardless of phrasing, what it told the astute reader (which was obviously not us) was that there was a third document—and this one might have some interesting content. But you can't find that third notice on the Federal Register website, which is where you expect to find CAS Board content. Instead, you have to click the link provided in the second notice, which takes you *out* of the Federal Register and over to the White House website.

So: to our readers, here is a step-by-step instruction on how to find interesting CAS Board

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content:

Step (1) follow the link in this article to the second Federal Register notice. That's the phrase "another notice" in bold font.

Step (2) when you get to the second notice, look for the link that says:

*Availability:* The full text of the notice is available on the Office of Management and Budget homepage at: <https://www.whitehouse.gov/wp-content/uploads/2020/03/2020-03-supp-cas-gaap-gp.pdf>

Click the link and—*voilà!*—you will be transported to a .pdf document entitled "Notice on Principles and Other Matters to Guide Conformance of the Cost Accounting Standards (CAS) to Generally Accepted Accounting Principles (GAAP)."

*That's the treasure you've been looking for!*

(We know it's a treasure because it took the equivalent of a treasure map to find it.)

When you find the treasure you can read it and learn lots of interesting stuff. A summary follows!

1.

Discussion of public comments received in response to the March 2019 SDP, and the Board's responses thereto. In those responses, we learned that "the Board worked with the Office of Management and Budget on a legislative proposal that would raise the threshold for CAS applicability from \$2 million to \$15 million and reduce the number of CAS-covered business segments by approximately 60 percent. The proposal was transmitted to Congress at the end of April for consideration in the National Defense Authorization Act." (See page 3.) So yeah, about that criticism. ...

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2.

An appendix to the document that establishes the Board’s “guiding principles” for conforming CAS to GAAP.

*A treasure of CAS-related content indeed!*

Anyway, let’s wrap this up. The CAS Board has been meeting, it’s been doing some stuff (but not as much as perhaps we wish they would), and it’s been publishing some content—for those who can follow the treasure map to find it. We were wrong about several things in our previous article and we regret those misstatements.

Also, Laurie Schmidgall has departed the CAS Board after eight years of serving as the industry representative. Trust us when we tell you that she has been a key player in pushing the CAS Board to accomplish whatever amount of progress it has made during her tenure. She will definitely be missed.