

# **Bond Case Briefs**

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## **GASB Requests Input on Proposed Improvements to Guidance for Accounting Changes and Error Corrections.**

Norwalk, CT, June 1, 2021 — The Governmental Accounting Standards Board (GASB) today issued a proposal designed to improve the accounting and financial reporting requirements for accounting changes and error corrections.

The [Exposure Draft](#) (ED), *Accounting Changes and Error Corrections*, is intended to provide guidance that would lead to information that is easier to understand, more reliable, relevant, consistent, and comparable across governments for making decisions and assessing accountability.

The Board's current guidance on accounting changes and error corrections was established in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which was issued in 2010. That guidance originally was established in the 1970s. The GASB's pre-agenda research identified diversity in applying the existing standards in practice, including issues with selecting the appropriate category of accounting change or error correction.

The ED proposes definitions for the following categories:

- Changes in accounting principles
- Changes in accounting estimates
- Changes to or within the financial reporting entity
- Corrections of errors in previously issued financial statements.

The proposal would establish accounting and financial reporting guidance for each category of accounting changes and error corrections, including display in financial statements, note disclosures, and presentation in required supplementary information and supplementary information.

Stakeholders are asked to review the proposal and provide input to the Board by August 31, 2021. More information about commenting on the ED can be found in the document, which is available on the GASB website, [www.gasb.org](http://www.gasb.org).