

Informational Memorandum



September 3, 2009

To: Chief Executive Officer
All Farm Credit System Institutions

From: Andrew D. Jacob, CFA, Director
Office of Regulatory Policy

A handwritten signature in black ink that reads "Andrew D. Jacob".

Thomas G. McKenzie, Director and Chief Examiner
Office of Examination

A handwritten signature in black ink that reads "Thomas G. McKenzie".

Subject: Financial Accounting Standards Board Accounting Standards Codification

On June 30, 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 168, "*The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162*" (SFAS 168). SFAS 168 established the FASB Accounting Standards Codification (ASC) as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP). The intent of the ASC was to restructure the 17 sources of GAAP literature and 5 sources of SEC literature into a single source of authoritative literature. It was not intended to, and did not, change current GAAP. SFAS 168 is effective for interim and annual periods ending after September 15, 2009.

Certain Farm Credit Administration (FCA) rules, regulations, examination guidance, etc., refer to the FASB standards issued prior to the establishment of the ASC. With the issuance of SFAS 168, these references are now superseded by the ASC. Therefore, concurrent with the effective date of SFAS 168, references by the FCA to specific standards under GAAP should be understood to mean the corresponding reference in the ASC and can be identified by using the cross-reference finding tool included in the ASC. In the longer term, and as appropriate, FCA staff will update the references to the specific standards under GAAP.

If you have any questions regarding GAAP references, please contact Tom Dalton, Office of Regulatory Policy, 703.883.4460, TTY 703.883.4434, or by e-mail at daltont@fca.gov.