The meeting was convened at 1:05 PM in room 4N30 of the GAO Building, 441 G St., NW, Washington, DC.

ADMINISTRATIVE MATTERS

• Attendance

Present: Ms. Payne (chairperson), Ms. Anderson, Mr. Baker, Mr. Easton, Ms. Kearney, Mr. Lewis, Mr. Miller, Mr. Rymer and Mr. Zane.

FASAB/AAPC project manager, Ms. Wu, and Internal Use Software (IUS) working group leaders: Ms. Jennings, Mr. Mainguy, Ms. Nesbitt, Mr. Nusbaum, Ms. Oates, Ms. Olewack, Mr. Sones and Mr. Sykes were present at the meeting.

Absent: Mr. Alston and Mr. Donzell.

• Minutes

All previous meeting minutes have been approved.

• Administrative

The Committee welcomed two new members: Brett Baker, Assistant Inspector General for Audit, Office of Inspector General, National Science Foundation; and Elliot Lewis, Assistant Inspector General for Audit, Office of Inspector General, Department of Labor.

PROJECT MATTERS

• Agenda Committee Report

  ➢ Internal Use Software (IUS) Implementation Guide Draft

Ms. Wu presented the draft IUS implementation guide (Guide). She stated that the draft Guide provided at the meeting had been edited based on the inputs and comments received from the Committee members prior to the meeting. Several members’ comments were discussed during the meeting and decisions made as follows:

  • **Scope Section:** The definition of Integrated software and reference to SFFAS 10 par 22 will be slightly modified to address software that is integrated into multiple pieces of general PP&E to provide additional guidance to readers, while at the same time keeping content general enough to not cause confusion.
• **Capitalized Cost:** When using the indirect method to develop cost, member suggested adding language to qualify that any allocation methodology should be consistent with guidance in addition to being defensible.

• **Capitalization Cut Off:** The last sentence will be restructured to better explain that management should establish a consistent cutoff for capitalization that would equate with end user acceptance test.

• **Software License:** It was explained that the purpose of this paragraph was to provide entities with additional guidance on when to apply IUS capitalization criteria versus lease accounting concepts to the purchase of software licenses. It was agreed that the term "scored" would be replaced with "evaluated" and that the term "payment" would be replaced with "cost."

• **Cloud Computing:** Members agreed with the abbreviated definition of cloud computing and suggested that the footnote be updated to include note that the full definition is within the NIST guidance.

• **Software with Uncertainty:** Members voted and agreed that software with uncertainty would be better addressed with a letter to the affected communities and not within the implementation guidance.

By the end of the meeting, Ms. Wu asked the Committee’s opinion about providing the draft Guide to the FASAB Board (Board) for comments in August. Ms. Payne introduced the general approval process for an AAPC Technical Release (TR). She stated that the Board has veto authority over the TR as such it is desirable to provide the draft Guide to the Board for their comments prior to AAPC Committee’s official approval.

Overall, the Committee members concurred on providing the Guide for the Board’s comments on the August Board meeting.

The meeting adjourned at 2:15 pm.