

# Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

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## NEWS RELEASE

### AAPC Issues an Exposure Draft

### Technical Release: Implementation Guidance for Internal Use Software

The Accounting and Auditing Policy Committee (AAPC), is seeking input on the exposure draft of a proposed Federal Financial Accounting Technical Release (TR), entitled *Implementation Guidance for Internal Use Software*.

This TR assists reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 10, *Accounting for Internal Use Software*. Since FASAB issued SFFAS 10 in 1998, software development practices have changed dramatically and reporting entities have experienced challenges applying the standards given the new terminology and techniques that have evolved. The TR provides implementation guidance regarding:

- a. The definition of IUS, component/module based IUS assets, software development practices including approaches that involve phases, and clarifying IUS recognition, measurement, and disclosure items (such as capitalized cost, capitalization cut off, capitalization threshold, enhancement, impairment, and related matters);
- b. New IUS challenges brought by changes in IUS development practices since the issuance of SFFAS 10; and
- c. Management's role in applying SFFAS 10.

Wendy Payne, Executive Director of the Federal Accounting Standards Advisory Board and Chairman of AAPC, said that “a government-wide group of volunteers provided a valuable service to the preparer community by developing much needed guidance that should reduce the burden of applying SFFAS 10.”

Respondents are encouraged to provide the reasons for their positions. The exposure draft requests comments by **October 28, 2015**. The exposure draft in PDF format and the specific questions raised in Word format are available at the FASAB website (<http://www.fasab.gov/exposure.html>).

## **ABOUT AAPC**

The AAPC was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the Government Accountability Office (GAO), the Chief Financial Officers' Council (CFOC), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [formally the President's Council on Integrity and Efficiency (PCIE)], as a body to research accounting and auditing issues requiring guidance.

The AAPC serves as a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB). The mission of the FASAB is to develop accounting standards after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of Federal financial information. The mission of the AAPC is to assist the Federal government in improving financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues as they relate to the specific application of existing authoritative literature.

The AAPC is intended to address issues that arise in implementation, which are not specifically or fully discussed in Federal accounting and auditing standards. The AAPC's guidance is cleared by FASAB before being published.

Additional background information on the AAPC is available from the FASAB or its website:

- ◆ Charter of the Accounting and Auditing Policy Committee
  
- ◆ Accounting and Auditing Policy Committee Operating Procedures

For more information on FASAB, please visit our website: [www.fasab.gov](http://www.fasab.gov).