

Federal Accounting Standards Advisory Board

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NEWS RELEASE

AAPC Releases an Exposure Draft Technical Release: *Rescission of Technical Release 8*

The Accounting and Auditing Policy Committee (AAPC) is seeking input on the exposure draft (ED) of a proposed Federal Financial Accounting Technical Release (TR) entitled *Rescission of Technical Release 8*.

Statement of Federal Financial Accounting Standards (SFFAS) 55, *Amending Inter-Entity Cost Provisions*, amended SFFAS 4, *Managerial Cost Accounting Standards and Concepts*, and rescinded SFFAS 30, *Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts*, and Interpretation 6, *Accounting for Imputed Intra-departmental Costs: An Interpretation of SFFAS No. 4*.

As a result, TR 8, *Clarification of Standards Relating to Inter-Entity Costs*, is no longer consistent with SFFAS 4, as amended, because the requirement to recognize inter-Entity costs was revised significantly. SFFAS 4, as amended, provides for the continued recognition of significant inter-Entity costs by business-type activities. Recognition of inter-Entity costs by activities that are not business-type activities is no longer required with the exception of inter-Entity costs for personnel benefits and the Treasury Judgment Fund settlements unless otherwise directed by the Office of Management and Budget. Non-business-type activities may elect to recognize imputed cost and corresponding imputed financing for other types of inter-Entity costs.

This TR would rescind TR 8 because it is no longer consistent with SFFAS 4, as amended.

Wendy Payne, executive director of the Federal Accounting Standards Advisory Board and chair of the AAPC, stated, "It is important to ensure our technical guidance is current, relevant, and updated to reflect new pronouncements because users rely on it to complement higher level generally accepted accounting principles."

The AAPC requests comments on the ED by October 5, 2018. Respondents are encouraged to provide the reasons for their positions. The ED in PDF format and the specific question raised in Word format are available at the FASAB website <http://fasab.gov/documents-for-comment/>.

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). FASAB's mission 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 that 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 FASAB on 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.