

AAPC GPP&E Task Force
Final Meeting Notes – April 9, 2009
GAO HQ Building- 441 G Street, NW
Campbell Room (7B15/7C10)
9:00– 11:00 a.m.

Administrative Matters

- Future meetings – dates and locations
Monica Valentine, FASAB/AAPC rep., noted that the next meeting date of the task force would be 5/5/09.

Task Force Chair Updates

- Donjette Gilmore
Ms. Gilmore thanked the group for their participation in the task force's work. Ms. Gilmore noted her continued involvement in the four subgroups. Ms. Gilmore reminded the members that she is always available to assist with making contact with federal representatives that could provide assistance to the task force as well any other needs related to the work of the task force. Ms. Gilmore also reminded the members that participation is the key to the success of the task force.

Ms. Gilmore added a special thanks to John Lynskey and the Record Retention subgroup for all of their hard work on the draft guide. She also noted that she would be talking with the Use subgroup chairs to get a status on their progress.

- Dan Fletcher
Mr. Fletcher was not available for the meeting.

FASAB/AAPC Updates

- Monica Valentine

Ms. Valentine updated the task force on the status of the FASAB draft standard, *Estimating the Historical Cost of G-PP&E*. She mentioned that draft standard was in the ballot stage – meaning that final approval by the Board was pending. Ms. Valentine also noted that the draft standard is scheduled for discussion at the 4/22 FASAB meeting if all of the ballots are not received by the members prior to the meeting.

Subgroup Updates

- Acquisition: Alice Carey, subgroup co-chair gave a brief update of the work of the Acquisition subgroup. Ms. Carey noted that historical cost paper was progressing. The subgroup is waiting on additional information from FAA for its example. The subgroup is also waiting on an example from DoD on the use of budgets and appropriations when estimating G-PP&E. Brian Blank, working with Anitra Akanbi, noted that the draft capitalization threshold issue paper was progressing but was still in need of additional examples from the federal community. Ms. Carey noted that there was no update on the capital lease issue. The next scheduled meeting of the subgroup is 4/15.
- Use: Tom Lyden, in support of Fred Carr subgroup co-chair, gave a brief update of the work of the Use subgroup. He noted that the group was working to re-scope its issue paper on construction-in-progress and contractor-financing payments. There was no update on the deployed asset issue. The next scheduled meeting of the Use subgroup will be sometime during the last week of April.
- Disposal: Joe Knarich, in support of Alaleh Amiri subgroup co-chair, gave an update on the work of the Disposal subgroup. He noted that the issue papers, "Identification and Recognition of Asbestos Cleanup Costs" and "Accounting for Cleanup Costs Associated with Equipment" were close to completion and would be discussed at the subgroups next meeting. The next scheduled meeting of the subgroup is 4/28.

- Record Retention: John Lynskey, subgroup chair gave an update on the work of the Record Retention subgroup. Mr. Lynskey noted that the subgroup submitted an issue paper "Record Retention Timeframes for G-PP&E" to the task force for review and discussion. Mr. Lynskey asked for comments on the draft by 3/23. Prior to today's meeting the latest draft of the guidance was forwarded to the full task force along with a spread sheet listing task force member comments and how those comments were resolved by the subgroup. Mr. Lynskey provided a brief overview of the major edits of the guidance since the last version. He made the following overall points about the draft guide:

- A non-real property part was added to the proposed National Archives and Records Administration (NARA) General Records Schedule (GRS) 3 section 1 changes. The non-real property part added is for records that support existence, ownership, overall valuation etc with a retention period of 6 years 3 months from final payment. This resolved the main issue that was brought up by the task force comments and at the meeting on having to retain these types of records for equipment for 10 years after disposal. NSF staff was instrumental in working out this change.

- New language was developed and added to the proposed NARA GRS 3 section 1 changes regarding transactional PP&E records. This revision is shown by a 4th bullet under GPP&E record retention principles and a removal of the separate bullet addressing the topic. The effect is substantial. It integrates the revised GRS 3 section on property record retention. It eliminates the need to change the GRS 3 section on routine procurement files. It provides clarity that the GRS 3 section on routine procurement files applies to property records which was the original intention. Abe Dymond at GAO was instrumental in helping the group work through this change.

- Updates were made to the scope section to accurately reflect FASAB PP&E categories and to clarify the level of focus of the paper. These were based on comments received.

- A change was made to fix a contradiction when referring to electronic records. This was based on a comment received.

-- The subgroup received several comments about what is meant for record retention purposes by "final payment" (6 years 3 months after final payment). The subgroup used the existing language from NARA GRS 3 and did not make any changes. The 2nd change above allowed us to not even change that entire section where it is mentioned in GRS 3. The same language is also used in the FAR so it seems standard.

Mr. Lynskey noted that the subgroup's recommendation is that the FASAB/AAPC formally request that NARA accept the proposed changes to NARA's GRS 3 that would include clarifying and modifying current NARA record retention periods set out to address agency's old permanent and transactional G-PP&E records.

Stephen Lipscomb, GAO, asked where and how would this record retention guidance be published. Ms. Valentine noted that this issue had been brought up in the last Acquisition subgroup meeting because of some references in the Estimating Historical Cost paper to NARA guidelines. It was suggested that the record retention paper could be incorporated as an appendix to that paper. Mr. Lipscomb suggested that parts of the record retention guide could be included as a section in the historical cost paper with the remainder of the paper being included as an appendix. He noted that this would allow for more visibility of the guidance without being buried in an appendix. The group agreed with Mr. Lipscomb's suggestion. Ms. Valentine noted that she would talk to Ms. Payne, FASAB Executive Director/AAPC Chair, about the subgroup's recommendations as well as Mr. Lipscomb's suggestion and then set up a meeting with Mr. Lynskey, Ms. Gilmore, and Ms. Payne to discuss the recommendations.

Review List of G-PP&E Issues – Update

No specific update was given on the latest list of G-PP&E issues.

Review Timeline – Key Dates

No specific update was given on the project timelines.