

AAPC GPP&E Task Force
Final Meeting Notes – July 7, 2009
Teleconference Only
10:30 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 8/4/09.

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 commended the hard work of the Record Retention subgroup and the Disposal subgroup for all of their hard work on producing draft guidance that was submitted to the AAPC at its May meeting. She also noted that the guidance was very well received by the Committee. Ms. Gilmore mentioned that she and Wendy Payne, FASAB Executive Director, made a presentation at the ASMC – PDI in June that included a discussion on the work of the G-PP&E task force. There were also presentations by Dan Fletcher and Ms. Payne at the AGA – PDC in June that also mentioned the work of the G-PP&E task force.

- 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 SFFAS 35, *Estimating the Historical Cost of G-PP&E*. She mentioned that the standard was at the FASAB Sponsor/Congressional review stage – meaning that final approval by the Sponsors and the Congressional review was pending. Ms. Valentine also noted that the

FASAB Sponsor review of SFFAS 35 is expected to be complete by late July. However, due to a clerical error, SFFAS 35 had to be re-submitted to one of the Congressional offices and the 45-day (consecutive session days) clock had to be restarted. The FASAB staff is hopeful that the review period can be completed by the end of the calendar year and the standard can be released. Ms. Valentine will keep the task force updated on the progress.

Ms. Valentine noted that at the May meeting of the AAPC John Lynskey, NSF, leader for the record retention subgroup of the G-PP&E task force presented a proposal to the Committee, *Record Retention Timeframes for General PP&E Assets*. The subgroup was tasked with looking into the issue of record retention timeframes and methods for retention that support G-PP&E reported in agencies' general purpose financial statements.

The AAPC is currently seeking feedback on the subgroup's proposed edits to NARA's GRS 3. We are requesting that written feedback be forwarded to Ms. Valentine by July 13, 2009. The questionnaire can be found on the FASAB website at <http://www.fasab.gov/aapc/retentionpp.html>.

Also at its May meeting, Alaleh Amiri, DoD, leader for the disposal subgroup of the AAPC G-PP&E task force presented two proposals to the AAPC at its May meeting, *Implementation Guidance on Cleanup Costs Associated with Equipment* and *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*. Both draft guides will be reviewed again at the next AAPC meeting.

The next AAPC meeting is schedule for July 23, 2009.

Subgroup Updates

- Acquisition: Representatives of the subgroup were not available at the time of the meeting. Ms. Valentine gave a brief update of the work of the Acquisition subgroup. She noted that since the release of SFFAS 35 has been delayed, this will also affect the release of the historical cost implementation guide, however the work of finalizing

the guidance will continue. Ms. Valentine also updated the task force on the draft capitalization threshold issue paper. She noted that the guidance was progressing and the subgroup was looking for specific examples to incorporate into the paper.

Ms. Carey provided the following update subsequent to the meeting. The subgroup members working on the capitalization threshold have incorporated most of the comments received on the draft issue paper. The subgroup continues to solicit, from those organizations that have successfully developed capitalization thresholds, examples to be included in the paper. The issue paper on estimating historical cost is progressing. The group has received the example from DoD on using budget and appropriation data and will discuss this issue in detail at the next meeting. Additionally, the subgroup has put the capital lease topic on hold until the estimating historical cost paper is near completion. The next scheduled meeting of the subgroup is 7/15.

- Use: Tristin Mure, in support of Fred Carr subgroup co-chair, gave a brief update of the work of the Use subgroup. He noted that the group has been meeting to discuss the contract financing payments (CFP) issue. The group has specifically reviewed in detail the several forms of contract financing payments as noted in the FAR (i.e., progress payments based on costs, performance-based payments, etc.), the advance payments statutory authorities, and an analysis of contract financing payment drivers. Ms. Valentine added that the group was meeting every two weeks and were hopeful that the issues surrounding when CFP should be recognized as an advance and when CFP should be recognized as work in progress or construction in progress would be resolved. Ms. Gilmore added that the group discussions are always open-minded and involve a broad view of the issues. She also mentioned a recent GAO report on "Federal Contracting: Guidance on Award Fees Has Led to Better Practices but is Not Consistently Applied" that relates to the discussions of the subgroup. The next scheduled meeting of the Use/CFP subgroup will be 7/14.

- Record Retention: John Lynskey, subgroup chair, was not available for the meeting. Ms. Valentine gave a brief update on the work of

the Record Retention subgroup. Ms. Valentine reiterated that the AAPC is currently seeking feedback on the subgroup's proposed edits to NARA's GRS 3. Written feedback is requested by July 13, 2009. All comments received on the questionnaire will be discussed at the 7/23 AAPC meeting.

- Disposal: Lucina Miller, in support of Alaleh Amiri subgroup co-chair, gave an update on the work of the Disposal subgroup. She noted that the issue papers, "Identification and Recognition of Asbestos Cleanup Costs" and "Accounting for Cleanup Costs Associated with Equipment" had been submitted to the AAPC in May for consideration. The subgroup and FASAB staff are currently working through some final edits on the equipment paper so that the guide can be sent to the AAPC for approval to be released as an exposure draft. Ms. Amiri is also seeking participation on the subgroup for the next issue of the disposal subgroup to consider -- "trigger events for the removal/disposal of G-PP&E". The next meeting of the subgroup has not been scheduled.

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.