

Ms. Payne:

Thank you for allowing U.S. Customs and Border Protection (CBP) the opportunity to respond to FASAB's exposure draft of a proposed Federal Financial Accounting Technical Release entitled *Implementation Guide for Estimating the Historical Cost of General Property, Plant, and Equipment*. CBP's responses are attached.

Please contact me if you need additional information or have any questions.

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U.S. Customs and Border Protection (CBP) Responses

Questions for Respondents: [Responses of U.S. Customs and Border Protection \(CBP\)](#)

Federal Financial Accounting Technical Release Exposure Draft:
Implementation Guide for Estimating the Historical Cost of G-PP&E
(dated December 10, 2010)

All responses are requested by February 11, 2011

- Q1. Do you agree or disagree with the types of estimating methodologies proposed to estimate the cost of historical assets? Please provide the rationale for your answer. Do you believe additional methodologies should be included? If so, please specify.

RESPONSE: Agree. All methodologies presented are reasonable methodologies for estimating historical cost and should be considered sufficient audit evidence. We don't have any additional methodologies to recommend, but believe alternative estimation methodologies should be considered. The board may also wish to consider ranking the estimation methodologies in order of their preference.

- Q2. Do you agree or disagree with the example for estimating the cost using deflation of current replacement? (Page **Error! Bookmark not defined.**) Please provide the rationale for your answer.

RESPONSE: Agree. This is a reasonable reconstruction method.

- Q3. Do you agree or disagree with the example for estimating the cost using appraisal information? (Page **Error! Bookmark not defined.**) Please provide the rationale for your answer.

RESPONSE: Agree. This is a reasonable estimation method based on appraisal methodology.

- Q4. Do you agree or disagree with the example for estimating the cost using expenditures? (Page **Error! Bookmark not defined.**) Please provide the rationale for your answer.

RESPONSE: Agree. This is a reasonable estimation method based on the best documentable expenditure data available.

U.S. Customs and Border Protection (CBP) Responses

Q5. Do you agree or disagree with the example for estimating the cost using budget and appropriation information? (Page **Error! Bookmark not defined.**) Please provide the rationale for your answer.

RESPONSE: Agree. This is a reasonable estimation method if it is the only data available.

Q6. Do you agree or disagree with the example for estimating the cost for G-PP&E in the possession of contractors? (Page **Error! Bookmark not defined.**) Please provide the rationale for your answer.

RESPONSE: Agree. This is a reasonable estimation method. However, this can be a costly way to obtain the needed data, especially if doing so is not part of the current contract. Careful consideration of required cost data should occur prior to issuing a contract to ensure that necessary data will be available for all interested parties.

Q7. Do you agree or disagree with the G-PP&E record retention recommendations outlined in Appendix B.

RESPONSE: Agree.