

**From:** Moore, Scott

**Sent:** Wednesday, October 28, 2015 12:04 PM

**To:** FASAB

**Cc:** Guilford, William E; Sorah, Noah B; Bergin, Christopher C

**Subject:** Request for Comments on Internal Use Software Technical Release

HUD is pleased to be able to provide a response to FASAB concerning the proposed Technical Release containing implementation guidance for SFFAS 10, *Accounting for Internal Use Software*.

**Scott Moore**

**Response from the Department of Housing and Urban Development  
IUS Implementation Guidance  
Questions for Respondents**

- Q1. In the Clarification of Existing Standards section (paragraphs 10-24), this Technical Release (TR) considers the software development terms and practices that reporting entities utilize currently and helps clarify the standards in light of those terms and practices.

**Do you agree with the clarification and the new concepts, such as Component Based IUS Asset, presented? If not, please explain your reason.**

**Agree:** “For each module or component of a software project, amortization should begin when that module or component has been successfully tested. If the use of a module is dependent on completion of another module(s), the amortization of that module should begin when both that module and the other module(s) have successfully completed testing.”

Most systems are component based, regardless of the methodology followed (waterfall or agile), with pre-identified dependencies, and longitudinal test of the individual modules. It is not uncommon for modules to complete UAT out of sequence, especially when the Agile development method is used.

- Q2. In the Guidance on Applying SFFAS 10 to Certain New IUS Developments section (paragraphs 25-33), this TR introduces new terms and defines them in light of the application of this guidance.

**Do you agree that the definitions reflect typical current new software development items and the associated guidance is reasonable? If not, please explain your reason.**

**Agree:** Cloud Computing, Shared Services, Agile and Spiral Software Development Method(s) are not new terms within the IT community. The TR synchronized the phases across all the methodologies, and the application procedures for the accounting for IUS. The TR reflect typical “current software development terms, and the guidance is reasonable, and consistent.

- Q3. In Appendix B starting on page 16, this TR provides two tables illustrating business events and deliverables which agencies may see within a software development life-cycle and some common agency practice examples to assist entity management in applying the principles described throughout the TR.

**Do you think that both illustration tables will help agencies? If not, please explain your reason.**

**Yes:** the illustration adds clarity. For example the Preliminary Design Phase, as shown by the illustration highlights activities that are currently outside of our PPM<sup>1</sup> process. Specifically; *Formulation of Alternatives*<sup>2</sup> would not be considered in the cost (development) of IUS.

- Q4. Are there additional common issues or illustrations across agencies that should be considered? If so, what are they, and how would you describe them?

**No:** none at this time.

---

<sup>1</sup> The Department of Housing and Urban Development's (HUD's) Project Planning and Management (PPM) Life Cycle V2.0 provides practical approaches to optimize innovation, minimize schedule and budget risk, and better plan and execute projects.

<sup>2</sup> OMB Circular A-11 provides more information for alignment of agency IT investments with agency strategic plans.